


RECOVER
REIMAGINE
REBUILD





“Each year we forge ahead fueled by optimism and a shared vision as we build a future filled with sustainable achievements and unparalleled excellence.”

Nurturing Excellence to Drive Transformation

Recover Reimagine Rebuild.

These three pillars best define our resolve for the future and the journey we undertake to make that resolve a reality. This journey reinforces our strongly held views of nurturing excellence across all our endeavours, navigating challenges with courage, embracing opportunities with confidence, and keeping on building on the path of sustainable growth.

Throughout the years since our inception, we have nurtured excellence through our commitment to innovation, customer centricity, sustainability, and the fortification of our strategic core. Despite encountering external macro-economic factors such as raw material price volatility and global instabilities, our unwavering dedication has propelled us forward.

By prioritising transformation, we have championed a culture of continuous improvement, reinforcing our position as an important player to reckon with in the

industry. Our collective efforts, united by a shared vision, have fortified our resilience and kept us on course to sustainable long-term profitability.

With a spirit of recovery, we continue to overcome challenges and adapt to changing circumstances with agility and determination. By embracing the power of reimagination, we transform obstacles into opportunities, charting new paths to success. Through our ongoing commitment to rebuild, we forge ahead, leveraging our strengths and capabilities to shape a future of growth and excellence.

As we continue on our journey, we reaffirm our commitment to nurturing excellence in all aspects of our operations. By fostering a culture of operational improvement, maintaining expense discipline, and embracing growth and automation, we aim to further accelerate our success and strengthen our position in the market.

RECOVER REIMAGINE REBUILD

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Corporate Information



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About this Report

AYM Syntex's Annual Report for FY 2022-23 reflects our performance and strategy aligned to the current business context. It encompasses both qualitative and quantitative disclosures regarding our financial and operational performance for the year, combined with our continued investments across various capitals.

Reporting Framework & Management Responsibility Statement

The Financial and Statutory data presented in this Report including the Management Discussion and Analysis (MD&A), Board's Report and Corporate Governance Report is in line with the requirements of the Companies Act, 2013, Indian Accounting Standards, the SEBI (LODR) Regulations, 2015, and the Secretarial Standards issued by the ICSI. The board believes that the information contained in this Report adequately represents the Company's performance in the reporting period and broadly outlines the Company's ability and commitment to create long-term value. This Report has been reviewed by the members of the board and senior management.

Assurance & Verification

The financial statements presented in the report have been externally audited by Price Waterhouse Chartered Accountants LLP and their report can be found in the Independent Auditors' Report section of this document. All other non-financial performance information has been internally verified and assured by the Management.

Reporting Period

This Report covers the Company's performance for the period commencing from April 1, 2022 to March 31, 2023. For certain Key Performance Indicator(KPIs), comparative figures from previous years have been used in the Report to provide a holistic view.

Forward Looking Statement

This Annual Report contains forward-looking statements about expected future events, including the Company's future performances, growth prospects and strategic plans. Further, sharing insights into long term strategies and growth prospects. These statements, by their nature, require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a possibility that the assumptions and predictions in these may not prove to be accurate. Additionally, certain performance parameters mentioned in this Annual Report are based on classifications made by the Company. Do not place undue reliance on these statements as a few factors could cause assumptions and actual future results or events to differ materially from those expressed in these forward-looking statements.

Feedback & Enquiries

We look forward to receiving feedback from our stakeholders to enable us to identify evolving risks, address concerns and find new ways of creating value. Our stakeholders can feel free to reach out to us at complianceofficer@aymgroup.com.

ORGANISATIONAL OUTLINE

*Company Overview -
From Inception to Implementation -
MD & CEO's Message -
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Company Overview

AYM Syntex proudly stands as one of India's leading manufacturers of Multipolymer Textile and Floor covering yarns. With a prominent presence in both domestic and international markets, we have established ourselves as a trusted manufacturer and exporter of synthetic yarns, renowned for our superior quality and versatility.

With a diverse range of applications, our company manufactures yarn that is utilised in over 15 diverse residential, commercial, and industrial applications. From residential carpets to automotive interiors, from high-performance textiles to durable upholstery, our versatile yarn serves as a fundamental component, catering to a wide variety of needs across different industries.

Number of Yarn brands: 30+

Our success in delivering innovative, high-quality yarn at scale stems from our world-class R&D capabilities and state-of-the-art manufacturing facilities. We take pride in our advanced Multipolymer Textile and BCF yarn manufacturing plants located in Palghar, Silvassa, and Naroli, which cater to the global textile and floor covering industry. Moreover, our Palghar facility houses one of Asia's largest yarn dyeing houses, equipped with a zero liquid discharge system and one of the India's largest 100% environment-friendly and automated dyeing facility. Additionally, our in-house masterbatch production capabilities give us unparalleled flexibility and a competitive edge.

Investments in R&D: ₹ 10.02 Crores

Number of Trademarks Held: 90+

To meet these needs, we have strong partnerships with our customers where we often co-create highly customised products. This collaborative approach stems from our dedication to customer satisfaction and allows us to consistently differentiate ourselves from the competition and strategically move away from a commodity-driven business model.

State-of-art manufacturing facilities: Palghar, Silvassa, and Naroli

We demonstrate remarkable capacity and capability in yarn dyeing and dope dyeing processes, with extensive range of over 17,000+ shades. Our advanced machinery and meticulous processes ensure precise shade consistency, providing our customers with unparalleled quality and a vast array of colour options.

Export Share: 47.5%

We also have a strong global presence, exporting our products to over 55 countries. Our current export share currently stands at an impressive 47.5%. Our steady but significant increase in export share over the last few years reflects our success in expanding global reach and establishing ourselves as a trusted supplier in the international market.

Energy Conservation: 3700 KWH/D Zero Liquid Discharge

As we progress, we remain committed to play our part in achieving both national and global sustainable development goals. We embrace sustainable practices, integrate greener technologies, and incorporate environmental goals into our business strategy. By balancing our pursuit of excellence with a strong sense of responsibility, we strive to create high-value products for our customers, make a positive social difference, and foster an environmentally conscious future.

From Inception to Implementation

Our rich history, built on decades of experience, resilience, and continuous improvement, serves as a solid foundation for our commitment to success. It is through the lessons learned, the knowledge gained, and the expertise honed over the years that we navigate the ever-evolving landscape of the textile industry with confidence and determination. Amidst the changing tides of the global market, we have stood steadfast, embracing innovation and transformation to stay ahead despite challenges. Our journey is a testament to our unwavering spirit and our ability to adapt, innovate, and overcome challenges along the way. With each milestone, we reinforce our position, leverage our strengths, and drive towards a future brimming with promise and growth.

Key Milestones

1984



Company listed on the Bombay Stock Exchange

1985



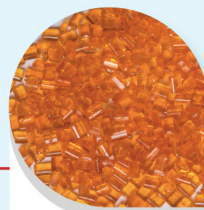
Launch of yarn dyeing and Texturing facility, at Palghar

1992



POY, FDY, Spinning and Texturing facility launched in Silvassa

2000



Commercialised dope dyeing in India

2004



Manufacturer of Polyester mother yarn and mono yarn first time in India

2018



Expanded Floor covering yarn production capacity by additional 50%

2017



One of the India manufacturer of low denier high tenacity Polyester yarns

2015



Company's name changed to AYM Syntex Limited

2013



Established R&D centre for excellence and innovation

2012



India's pioneering manufacturer & first merchant exporter of floor covering yarns

2020



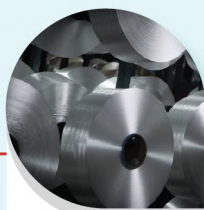
Commissioning of new plant at Naroli

2022



Highest ever annual revenues and margins in FY 21-22

2023



2.5x capacity expansion in Technical Yarn

Strategic Snapshot

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MD & CEO's Message

“Our transformation, started in 2015, has been marked by resilience, patience, and incremental progress. As our product mix evolves, we anticipate a shift towards specialised products for sustained profitability.”

- Abhishek R Mandawewala

MD & CEO

Dear Shareholders,

Financial Year 2023 was yet another tough year for our company as our numbers slipped from where we were last year. This was further exacerbated by stock losses caused by a sharp fall in the raw material prices. While a track record of consistent profitability growth eludes us, I am confident that our business continues to become more robust with each passing year and has become more so over the last 12 fiscal months. Eventually, we will see the efforts of the last 8 years culminate into a business that will deliver stable and relatively predictable results, less impacted by the vagaries of the market and more as a result of competing from a position of an unfair competitive advantage in our favour. While the results were not favourable, there are several small wins that we ought to celebrate.

The robustness of our floor covering business improved further. We added more customers to our portfolio and were able to bring down our customer concentration further. We have more business coming from alternate segments. We commercialised our innovative products with more customers and now have a bigger piece of the pie coming from these products. Despite a year where the overall market is down, we continued to maintain momentum.

We successfully completed the first phase of our expansion in technical yarns and are on track to producing and selling 2.5x the volumes that we were producing earlier. We also managed to expand our sales network internationally which will create a robust pipeline of new customers over the coming years.

While we have struggled with production efficiencies, we have learnt a great deal about commercialising new products and are far more equipped to commercialise future innovations.

While the textile division continues to drag profitability, we have improved the share of value-added products such as Mono yarns and Silque.

Our share of exports continued to grow and inched closer to the 50% mark with the share of value-added products increasing higher than before.

We have also successfully made progress on the supply chain side by creating a more robust mix of suppliers, particularly in auxiliaries such as packing materials and masterbatches, reducing single vendor dependency in the several items.

That said, our business was plagued by several issues which affected the profitability this year. A tough domestic market continued; a decrease in raw material prices coupled with a unique situation of lower-than-expected production efficiencies and higher costs due to the learning curve associated with the launch of several new products and programmes caused our profitability to drop. Lower efficiencies of new products on specialised machines also meant lower than planned production, leading to air freights to keep up with customer expectations. A global slowdown in consumption led to over capacities in China which resulted in low-cost goods, particularly nylon, being dumped in our markets and significantly affecting our margins, particularly in commodity segments. The drop in local demand coupled with cheap imports also meant low-capacity utilizations and caused fixed costs to be absorbed by lower producing units further impacting margins.

As I write this letter, we have been successful in stabilising a few of our new products, achieving the desired level of production efficiencies and internal rejection levels.

An example of this is our proprietary Soft Polyester product which took 4 years from product development to launch to commercialization and finally stabilisation. However, there is still some distance to go in some of our other innovations. I hope that we will be able to address many of these issues in the coming fiscal year. There are several other areas that we hope to focus on and gain from in the coming year.

Improving production efficiencies and bringing down the rate of off-grade production in the floor covering segment is going to have the highest impact on profitability going forward.

Improving capacity utilisations in the commodity segments by increasing the sales of value add products such as Silque and mono yarns will help us cushion the impact of low sales in segments such as nylon. At low/minimum capex we hope to convert lines to these products and continue to reduce exposure/exit of non-profitable commodity segments, which are lower in the value chain.

We are in the process of commissioning 3 new lines in the technical yarn segment which have been installed in place of and by replacing old non profitable commodity lines.

Raw material prices particularly in nylon seem to have hit the bottom and stock losses of the previous few quarters should now stop. As prices normalise, these will result in stock gains going forward.

The journey thus far has been incredibly tough and painstaking. This transformation journey started in 2015 and we have faced challenges every step of the way. This includes building a capable team, building the right infrastructure, building the sales network and reaching the right customers, creating the products, getting approvals and winning awards for supply of these products, commercialising these products, building the right systems for controlling and effectively managing multiple product lines and finally stabilising the production of these products. The lifecycle for each product is on average 5 years. External shocks have not helped our cause.

But it is important to remain resilient, patient and continue to work undeterred and address challenges one step at a time. As our product mix continues to

shift from commodity products, the base of our profitability will increasingly start coming from established specialised products which will have a longer period of above average returns compared to commodity products. As this happens, our results should look vastly different as compared to what they look like today.

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

Warm Regards



Board Members

Our esteemed Board of Directors play a pivotal role in shaping the vision, strategy, and direction of our organisation. Comprising a diverse group of seasoned professionals, leaders, and experts from various industries, our Board provides invaluable insights and guidance to drive our business forward. With their collective expertise and commitment to excellence, they ensure that our company remains at the forefront of innovation, corporate governance, and sustainable growth.



Rajesh Mandawewala
Non-Executive Chairman

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Abhishek R Mandawewala
Managing Director & CEO

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Khushboo Mandawewala
Whole Time Director & CHRO

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Atul Desai
Independant Director

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Mohan Tandon
Independant Director

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KH Viswanathan
Independant Director

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Independent, Non-Executive Director

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Non- Independent, Executive Director

N

Non- Independent, Non- Executive Director

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Chairperson

M

Member

Board Committees


Stakeholder Relationship Committee

Corporate Social Responsibility Committee


Nomination & Remuneration Committee

Audit Committee

Average Age (Yrs)

 58

Average Tenure on the Board (Yrs)

 16

Board Independence (%)

50% Independent

Average Tenure of Independent Directors on the Board (Years)

 14