

Ref No: SEC/NSE/BSE/2018-19  
September 22, 2018

**The Manager, Capital Market (Listing)**  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No : C/1 , G Block  
Bandra Kurla Complex  
Bandra (E), Mumbai-400 051  
**Stock Code: Equity – Sintex EQ**

**The Corporate Relationship Dept.**  
**BSE Limited**  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J.Towers,  
Dalal Street, Mumbai-400 001

**Stock Code: Equity 502742**

Dear Sir/Madam,

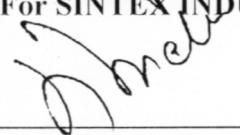
**Sub.: Submission of Annual Report of the Company for the Financial Year 2017-18**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith copy of Annual Report for the Financial Year 2017-18 as approved and adopted by the Members at the 87<sup>th</sup> Annual General Meeting of the Company as per provisions of the Companies Act, 2013.

You are requested to kindly take the same on record.

Thanking You.

Yours' faithfully,  
**For SINTEX INDUSTRIES LIMITED**

  
\_\_\_\_\_  
**Hitesh T. Mehta**  
**Company Secretary**



Encl: As above



**ANNUAL REPORT 2017-2018**

## **FORWARD LOOKING STATEMENTS**

In this Annual Report, we have disclosed forward-looking information to enable investors to fully appreciate our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make, contain forward-looking statements that set our anticipated results based on management plans and assumptions. We have tried, where possible, to identify such statements by using words such as ‘anticipate’, ‘expect’, ‘project’, ‘intend’, ‘plan’, ‘believe’, and words of similar substance in connection with any discussion of future performance.

We cannot, of course, guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. Achievement of results is subject to risks, uncertainties, and potentially inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

# Corporate Information

## Board of Directors :

Dinesh B. Patel	<i>Chairman</i>
Arun P. Patel	<i>Vice Chairman</i>
Dr. Narendra Kumar Bansal	
Dr. Rajesh B. Parikh	
Dr. Lavkumar Kantilal Shah	
Maitri Mehta	<i>(w.e.f. 30th October, 2017)</i>
Sunil Kumar Kanojia	<i>(w.e.f. 30th October, 2017)</i>
Vimal R. Ambani	<i>(w.e.f. 12th January, 2018)</i>
Gagan Deep Singh	<i>(w.e.f. 8th May, 2018)</i>
Rahul A. Patel	<i>Managing Director (Group)</i>
Amit D. Patel	<i>Managing Director (Group)</i>
S.B. Dangayach	<i>Managing Director (upto 6th June, 2017)</i>
Ramnikbhai H. Ambani	<i>(upto 1st January, 2018)</i>
Ashwin Lalbhai Shah	<i>(upto 14th September, 2017)</i>
Indira J. Parikh	<i>(upto 14th September, 2017)</i>

## Bankers :

Punjab National Bank  
Bank of Baroda  
Syndicate Bank  
Punjab & Sind Bank  
Bank of India

## Auditors :

M/s. Shah & Shah Associates  
Chartered Accountants  
Ahmedabad

## Registrar & Share Transfer Agent :

Link Intime India Pvt. Ltd.  
5th Floor, 506 to 508, Amarnath Business Center-1 (ABC-1),  
Besides Gala Business Center, Opp. Wagh Bakri Tea Lounge,  
Off C.G. Road, Ellisbridge, Ahmedabad – 380 006.

## Company Secretary & Compliance Officer :

Hitesh T. Mehta

## Registered Office :

Kalol - 382721, Gujarat, India  
Tel (+91-2764) 253000  
Fax : (+91-2764) 222868  
E-mail : share@sintex.co.in  
Website: www.sintex.in  
CIN: L17110GJ1931PLC000454

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# Standalone Financial - 5 Years Highlights

₹ in Crores

Description	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
<b>A. BALANCE SHEET</b>					
<b>Total Assets:</b>					
Fixed Assets (Net)	8229.69	6255.00	6569.73	4258.95	2749.99
Investments	21.29	16.19	339.89	1023.60	1029.24
Net Assets (Current and Non Current)	1666.90	1856.18	3102.20	3344.92	3088.26
	<b>9917.88</b>	<b>8127.37</b>	<b>10011.82</b>	<b>8627.47</b>	<b>6867.49</b>
<b>Total Liabilities:</b>					
Net Worth	4396.58	3906.45	4924.34	4233.25	3042.13
Loan Funds	5443.37	4135.41	4881.86	3946.88	3513.93
Deferred Tax Liability (Net)	77.93	85.51	205.62	447.34	311.43
	<b>9917.88</b>	<b>8127.37</b>	<b>10011.82</b>	<b>8627.47</b>	<b>6867.49</b>
<b>B. STATEMENT OF PROFIT &amp; LOSS</b>					
Gross Sales	2035.76	1430.45	4876.15	4086.80	3314.47
Earning before interest, tax and depreciation	420.67	353.17	1109.54	1011.91	829.77
Finance Costs	106.79	89.75	210.96	228.53	237.38
Depreciation	142.16	132.22	183.35	144.84	138.33
Profit before Exceptional Items	171.72	131.20	715.23	638.54	454.06
Exceptional Items	0.00	0.00	0.00	21.79	16.06
Profit Before Tax	171.72	131.20	715.23	616.75	438.00
Taxation	35.74	3.72	165.28	159.23	102.94
Profit After Tax	135.98	127.48	549.95	457.52	335.06
Dividend (including dividend distribute tax)	17.17	37.62	36.53	37.25	25.64
Retained Earnings	118.81	89.86	513.42	420.27	309.42
Earnings per Equity Share (₹)	2.37	2.62	2.50	12.48	10.77
Debt/Equity Ratio	1.24	1.06	0.99	0.93	1.15
Dividend %	10%	25%	70%	70%	70%

**Notes:**

- Figures of the Statement of Profit & Loss for the previous year ended 31.03.2016 includes discontinued operations as per the Composite Scheme of Arrangement as mentioned in Note 37 of the Standalone financial statements for the year 2016-17.
- Figures for the year ended 31.03.2018, 31.03.2017 & 31.03.2016 are as per Ind AS

# Directors' Report

To,  
The Shareholders,

Your Directors take immense pleasure in presenting the 87th Annual Report highlighting the business and operations of the Company on a standalone basis and the accounts for the financial year ended March 31, 2018.

## Financial highlights

(₹ in crore)

Particulars	2017-18	2016-17
<b>Gross turnover</b>	2042.26	1433.84
<b>Gross profit</b>	313.88	263.42
Less: Depreciation	142.16	132.22
<b>Profit before tax</b>	171.72	131.20
Less: Provision for taxation — current tax	4.07	26.89
Deferred tax	31.67	(23.17)
<b>Profit for the Year</b>	<b>135.98</b>	<b>127.48</b>

Note: Previous years figures have been regrouped/re-classified, wherever required.

## Financial performance

Fiscal 2017-18 was good year for the Company reflected in the improved financials. Your Company reported 42.43% growth in gross sales from ₹ 1433.84 crore in 2016-17 to ₹ 2042.26 crore in 2017-18 –the growth catalysed by superior performance in the Textile and yarns businesses.

EBIDTA increased from ₹ 353.17 crore in 2016-17 to ₹ 420.67 crore in 2017-18 owing to value led growth which improved business profitability. And, the profit after tax for the year grew by 6.67% from ₹ 127.48 crore in 2016-17 to ₹ 135.98 crore in 2017-18. The earnings per share (face value of ₹ 1) stood at ₹ 2.37 (basic) and ₹ 2.37 (diluted) for 2017-18 against ₹ 2.62 (basic) and ₹ 2.62 (diluted) for 2016-17.

Your Company continued its focus on deleveraging the financial statements. It repaid debts worth ₹ 187.08 crore during the financial year under review. The Company also converted FCCBs worth US\$ 67.50 million (of the US\$ 110 million FCCB issue) converted into Equity, which increased the Company's net worth by ₹ 366.14 crore, strengthening the Company's financial muscle to pursue growth opportunities over the horizon.

## Dividend

Your Directors are pleased to recommend dividend of ₹ 0.10 per share on equity shares having face value of ₹ 1 each (Previous year

₹ 0.25 per equity share on face value of ₹ 1 each). The dividend is recommended based upon the financial performance of the Company.

The dividend will be paid to the eligible shareholders subject to the approval of Members, whose names appear on the Register of Members of the Company at the forthcoming Annual General Meeting as on the specified date.

## Increase in Share capital due to conversion of Foreign Currency Convertible Bonds

During the year under review, the Company has allotted in aggregate 4,93,99,134 equity shares of ₹ 1/- each at a premium of ₹ 91.16 each per equity share on exercise of conversion by the FCCB-holders and accordingly, the paid-up share capital of the Company on 31st March, 2018 stands increased to ₹ 59,40,95,088/- divided into 59,40,95,088 equity shares of ₹ 1/- each. As at 31st March, 2018, FCCBs worth US\$ 13.50 million (of the US\$ 110 million FCCB issue) were outstanding for conversion into equity shares.

## Fixed deposits

During the year under review, your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

## State of Company's affairs

Sintex is a reputed and respected brand in the global textile industry as a quality-conscious manufacturer of high-end men's structured fabric addressing high-end fashion shirting. The Company's fibre-to-fabric facility (Kalol) is one of the largest weaving Unit in India which manufactures fabrics for some of the most renowned global brands in the fashion industry – its wide product basket comprising multiple varieties of blended fabrics are marketed under the BVM brand.

Having established a global presence in the niche-fabric business space, the Company has entered the spinning business. For this, the Company is setting up a 1-million spindle manufacturing unit generating compact and other special yarns in a phased manner. In this highly sophisticated facility, about 6 lac spindles are operational as on March 31, 2018.

## Textiles Business

Fiscal 2017-18 has been a remarkable one for the Company as it scaled new heights in performance and capability. The business registered a topline of ₹ 2042.26 crore in 2017-18 against ₹ 1433.84 crore in 2016-17 – a growth of 42.43% owing to successful business strategies implemented by the team, which has increased product awareness and acceptability in India and across global markets.

The Company continued to strengthen its business capability which reflected in adding products to in every market (domestic and international) and market segment (institutional and retail). This allowed the Company to entrench its presence in the Indian fabric market and widened its footprint in key international geographies.

## Yarn Business

Sintex Yarn, a high-potential business division of Sintex Industries has strategically set up its greenfield unit at Rajula, Amreli district, Gujarat, which is India's richest cotton belt and is in a proximate to prominent seaports of Gujarat. Of the envisaged 1-million spindles, more than 6 lac spindles are in operation. The project will also include weaving and knitting facilities in the future. This large and state-of-the-art spinning facility is revolutionizing the textile industry with its "NO TOUCH" yarns.

The Company plans to provide its customers 100% contamination-free cotton yarn (premium), positioning it as one of the preferred suppliers of quality-respecting global brands. It has de-risked its business by prudently balancing its marketing exposure in different geographies. While 30% of the produce will be marketed domestically, the company plans to market the remaining output to leading global textile players.

## Performance of subsidiary – BVM Overseas Limited

Sintex's presence in domestic as well as export market is through its wholly owned subsidiary, BVM Overseas Limited.

## BVM Overseas Limited

The Company is the trading arm of Sintex Industries in India and in international markets, since the last quarter of FY 2015-16. While the Company currently trades in yarn, other products like fabrics, sheeting etc. will be brought under the Company's fold for capitalising on trading opportunities in India and with international customers over time.

The financial year under review has been a very good year for the Company as it more than doubled its turnover from ₹ 1181.64 crores against ₹ 511.59 crore in 2016-17. Of the total turnover, about 70% accrued from the international market. The Company reported an EBIDTA of ₹ 16.54 crore in 2017-18.

## Changes in subsidiaries, associates and joint ventures/wholly-owned subsidiaries:

During the year under review, there was no change in the status of subsidiaries and joint ventures/ wholly-owned subsidiaries.

## Corporate Social Responsibility initiatives

As part of its initiatives under Corporate Social Responsibility, the Company has under taken projects in the areas of education, livelihood, sports, health, water and sanitation. These projects are in accordance with Schedule VII to the Companies Act, 2013.

The Annual Report on CSR activities is annexed here with as 'Annexure - A'.

## Internal Financial Control (IFC) systems and their adequacy

As per the provisions of the Companies Act, 2013, the Directors have the responsibility for ensuring that the Company has implemented robust system / framework for IFCs to provide them with reasonable assurance regarding the adequacy and operating effectiveness of controls, to enable the Directors to meet with their responsibility.

The Company has in place, a sound financial control system and framework in place to ensure:

- The orderly and efficient conduct of its business,
- 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.

A formal documented IFC framework has been implemented by the Company. The Board regularly reviews the effectiveness of controls and takes necessary corrective actions where weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and Information

Technology environment. Based on this evaluation, there is nothing that has come to the attention of the Directors to indicate any material break down in the functioning of these controls, procedures or systems during the year. There have been no significant events during the year that have materially affected, or are reasonably likely to materially affect, our internal financial controls. The management has also come to a conclusion that the IFC and other financial reporting was effective during the year and is adequate considering the business operations of the Company.

### Auditors and Auditors' Report

M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad (FRN 113742W), Statutory Auditors of the Company were appointed as Statutory Auditors of the Company for a period of five years at the 83rd Annual General Meeting of the Company held on 1st August, 2014 till the conclusion of 88th Annual General Meeting of the Company pursuant to provisions of Section 139(1) of the Companies Act, 2013.

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting. Pursuant to Regulation 33(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors have confirmed that they have valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI).

There were no qualifications, observations, reservation or comments or other remarks in the Auditors Report, which have any adverse effect on the functioning of the company. The notes on financial statement referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

### Cost Auditor

Pursuant to Section 148(3) of the Companies Act, 2013, M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad were appointed as the Cost Auditors of the Company for financial year 2017-18 by the Board of Directors. However, due to resignation of M/s. Kiran J. Mehta & Co., as the Cost Auditor of the Company, the Board of Directors of the Company appointed M/s. Shah Mehta & Co., Cost Accountants, Ahmedabad, as Cost Auditor of the Company for the financial year 2017-18, to fill the casual vacancy. The Board of Directors of the Company at its Meeting held on 8th May, 2018 appointed M/s. Shah Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors of the Company for financial year 2018-19.

Accordingly, payment of remuneration to M/s. Shah Mehta & Co., Cost Accountants, Ahmedabad for the financial years 2017-18 and 2018-19 is subject to ratification of Members at the ensuing 87th Annual General Meeting of the Company.

### Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. M. C. Gupta & Co., Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2017-18 is annexed herewith as 'Annexure - B'. There were no qualifications, observations, reservation or comments or other remarks in the Secretarial Audit Report, which have any adverse effect on the functioning of the Company.

### Directors and Key Managerial Personnel

Mr. Arun P. Patel, Director is due to retire by rotation at this Annual General Meeting in terms of Section 152(6) of the Companies Act, 2013 and is eligible for reappointment.

On the recommendations of the Nomination and Remuneration Committee, Mr. Gagan Deep Singh (DIN: 01895911) was appointed as an Additional Director of the Company w.e.f. 8th May, 2018.

During the year under review, Smt. Indira J. Parikh and Mr. Ashwin Lalbhai Shah, ceased to be Independent Directors w.e.f. 14th September, 2017 and Mr. Ramnikbhai Ambani ceased to be Independent Director w.e.f. 1st January, 2018.

During the year, the Board of Directors, on the recommendations of the Nomination and Remuneration Committee, had appointed Ms. Maitri Mehta (DIN: 07549243) and Mr. Vimal R. Ambani (DIN: 00351512) as Additional Non-Executive Directors in the Category of Independent Directors w.e.f. 30th October, 2017 and 12th January, 2018 respectively. During the period under review, Mr. Sunil Kumar Kanojia (DIN: 00490259) was appointed as an Additional Non-Executive Director of the Company w.e.f. 30th October, 2017 and has been re-designated as an Additional Independent Director w.e.f. 8th May, 2018. The above Additional Independent Directors hold the office up to the ensuing Annual General Meeting. The Board considers it desirable to avail their services. The Company has received notices from members pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing the appointment of all such Directors of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The tenure of re-appointment of Mr. Rahul A. Patel and Mr. Amit D. Patel, Managing Directors (Group) is due for completion on October 20, 2018. The Board of Directors on the recommendation of the Nomination and Remuneration Committee has re-appointed Mr. Rahul A. Patel and Mr. Amit D. Patel as Managing Directors



(Group) of the Company for a period of 5 (five) years with effect from October 21, 2018, subject to approval of Members at ensuing Annual General Meeting.

As stipulated under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, brief profiles of the Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of the companies, in which they hold directorships and shareholding are provided in the Notice forming part of the Annual Report.

The Independent Directors have been updated with their roles, rights and responsibilities in the Company by specifying them in their appointment letter along with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

There was no change in the Key Managerial Personnel during the year.

### Awards and Recognitions

During the year, the Company was the recipient of "Business Leader of the Year Award" for Institution Building for Yarn Division of the Company from World Federation of Marketing Professionals & Human Resource Professionals on the occasion of 26th anniversary of "Times of India, Ascent World HRD Congress" held at Taj Land's End, Mumbai on 15th & 16th February, 2018.

### Insurance

The Company's plant, property, equipments and stocks are adequately insured against major risks. The Company has also taken Directors' and Officers' Liability Policy to provide coverage against the probable liabilities arising on them, if any.

### Board evaluation

Pursuant to the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3) (c) of the Companies Act, 2013 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 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 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; and
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) the systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### Sintex ESOP 2018

The Board of your Company at its Meeting held on 17th July, 2018, has approved Sintex Industries Limited -Employees Stock Option Plan-2018, which is subject to approval of Members at the ensuing Annual General Meeting. The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Details as specified under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are available and will be available from time to time on website of the Company at the link <http://www.sintex.in/investors/>.

### Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

### Meetings of Board of Directors

Regular Meetings of the Board are held to discuss and decide on various business strategies, policies and other issues. During the year, four meetings of the Board of Directors were convened and held on 19th May, 2017, 31st July, 2017, 30th October, 2017 and 12th January, 2018. The intervening gap between two consecutive meetings was not more than one hundred and twenty days. Detailed information on the Meetings of the Board is included in the Corporate Governance Report, which forms part of the Annual Report.

## Committees of the Board of Directors

In compliance with the requirement of applicable laws and as part of the best governance practice, the Company has following Committees of the Board as on 31st March, 2018:

- i. Audit Committee
- ii. Stakeholders Relationship Committee
- iii. Nomination and Remuneration Committee
- iv. Corporate Social Responsibility Committee
- v. Share and Debenture Transfer Committee

## Independent Directors' Meeting

The Independent Directors met on 12th January, 2018, without the attendance of Non-Independent Directors and Members of the Management. The Independent Directors reviewed the performance of non-independent directors and the Board as a whole; the performance of the Chairman of the Company, taking in to account the views of Executive Directors and Non-Executive Directors and 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

## Consolidated financial statements

The Board reviewed the affairs of the Company's Subsidiary during the year at regular intervals. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared Consolidated Financial Statements of the Company and its subsidiary, which form part of this Annual Report. The Consolidated Financial Statements have been prepared on the basis of audited financial statements of the Company and its subsidiary, as approved by its Board of Directors. Further a statement containing salient features of the Financial Statements of the subsidiary in Form AOC-1 forms part of the Consolidated Financial Statements. The statement also provides the details of performance and financial position of the subsidiary.

## Transfer of shares to IEPF demat account

The Company has transferred 5,36,486 Equity Shares to the IEPF demat account held with Central Depository Services (India) Limited (CDSL) in terms of Section 124 (6) of the Companies Act, 2013 and the notified Rules of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, in respect of those shareholders, who have not claimed the dividend for the period of seven consecutive years or more.

## Policies

- **Remuneration policy**  
The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and

appointment of the Directors, the senior management and their remuneration. The remuneration policy is stated in the Corporate Governance Report.

- **Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

In pursuance to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information as per Regulation 8 set out in Schedule A to said regulations, in order to protect investors' interest.

- **Whistleblower policy**

The Company has adopted a Whistle Blower Policy through which the Company encourages its employees to bring to the attention of Senior Management, including Audit Committee, any unethical behaviour and improper practices and wrongful conduct taking place in the Company. The details of the same is explained in the Corporate Governance Report and also posted on the website of the Company at the link [http://www.sintex.in/wp-content/uploads/2016/07/Whistle\\_blower\\_policy.pdf](http://www.sintex.in/wp-content/uploads/2016/07/Whistle_blower_policy.pdf)

- **Code of Conduct to Regulate, Monitor and Report Trading by Insiders**

In pursuance to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company adopted the Code of Conduct to regulate, monitor and report trading by the employees, insiders and connected person(s), in order to protect investors' interest as approved by the Board in its meeting held on 7th May, 2015.

In pursuance to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company adopted Policy on Determination of Materiality of Events, Policy on Preservation of Documents, Website Content Archival Policy and Risk Management Policy in its meeting held on 15th October, 2015. The details of the said policies are forming part of the Corporate Governance Report.

## Particulars of loans given, investments made, guarantees given and securities provided

Particulars of loans given, investments made, guarantees given and securities provided under section 186 of the Companies Act, 2013 are provided in the standalone financial statement (Please refer to Note 7, 8, 12, 16 and 50 to the standalone financial statement), which are proposed to be utilized for the general business purpose of the recipient.

## Contracts and arrangements with related parties

All Related Party transactions that were entered into during the financial year under review were in ordinary course of business

and were on arm's length basis. There are no materially significant related party transactions made by the Company, which may have potential conflict of interest.

Further, there were no material related party transactions which are not in ordinary course of business and are not on arm's length basis and hence there are no information required to be provided under Section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 in form AOC-2 and under Section 188(2) of the Companies Act, 2013.

### Corporate Governance

Corporate Governance is, essentially, a philosophy. It encompasses not only the regulatory and legal requirements, but also the voluntary practices developed by the Company to protect the best interests of all stakeholders. The Company complies with all the Standards, Guidelines and Principles governing disclosures and obligations set out by the Securities and Exchange Board of India (SEBI) and the Stock Exchanges on corporate governance.

A separate Report on Corporate Governance along with Practising Company Secretary's Certificate on compliance with the conditions of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges is provided as a part of this Annual Report, besides the Management discussion and analysis report.

Your Company has made all information, required by investors, available on the Company's website [www.sintex.in](http://www.sintex.in).

### Conservation of energy, technology absorption and foreign exchange earnings and outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, as amended from time to time is annexed to this Report as 'Annexure - C'.

### Extract of the annual return

As required under the provisions of sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of annual return in Form No. MGT-9 forms part of this Report as 'Annexure - D'.

### Particulars of employees

The information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms part of this report as 'Annexure E'. Having regard to the provisions of the first proviso to Section

136(1) of the Companies Act, 2013, this Annual Report is being sent to all the members and others entitled thereto, excluding the said annexure. Members who are interested in obtaining these particulars may write to the Company Secretary at the Registered Office of the Company. The aforesaid annexure is also available for inspection by Members at the Registered Office of the Company, 21 days before the ensuing Annual General Meeting and up to the date of Annual General Meeting during business hours on working days.

### Significant and Material Orders impacting going concern basis passed by the regulators or courts or tribunals

No significant or material orders impacting going concern basis were passed by the regulators or courts or tribunals, which impact the going concern status and Company's operations in future.

In respect of overseas direct investment (ODI) made by the company in the earlier years in erstwhile wholly owned subsidiary, the Directorate of Enforcement, Department of Revenue, Ministry of Finance, Government of India has held that the end-use of such funds made by the then foreign subsidiary company is in contravention of the provisions of Section 4 of the Foreign Exchange Management Act (FEMA), 1999 and has, therefore, vide its Seizure Order dated 15th December, 2017 attached the immovable property of the Company by way of certain unencumbered open plots of land admeasuring in aggregate about 1,27,851.50 sq. metres having aggregate cost of ₹ 3.69 Crores as per books of accounts of the Company. The Company strongly believes that it has not contravened provisions of FEMA as alleged in the seizure order and is, therefore, taking appropriate steps under the law. In the opinion of the Management of the Company all the activities carried out by the then foreign subsidiary are in compliance with the ODI route under FEMA read with the relevant rules and regulations. The Company's management is confident of successful outcome from the proceedings. Therefore, no accounting adjustments have been made in the books of accounts of the Company in this regard.

### Risk Management

The Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. During the year, the Board of Directors has reviewed the risks associated with the business of the Company, its root causes and the efficacy of the measures taken to mitigate the same. There are no risks which in the opinion of the Board threaten the existence of the Company.

### Audit Committee

The Committee consists of Members viz. Dr. Narendra Kumar Bansal (Chairman), Ms. Maitri Mehta (Vice Chairperson), Dr. Rajesh B. Parikh and Mr. Amit D. Patel. There were no instances, where recommendations of Audit Committee were not accepted by the Board of Director

**Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this Financial Statements relate and the date of this Report. There has been no change in the nature of business of the Company.

**General**

Your Directors state that no disclosure or reporting is required in respect of the following items, as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Companies Act, 2013.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company.

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Acknowledgements**

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Boards of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

On behalf of the Board,

**Dinesh B. Patel**  
*Chairman*  
 (DIN : 00171089)

Date: 17th July, 2018  
 Place: Ahmedabad

## Annexure A to Directors' Report

### Annual Report on Corporate Social Responsibility (CSR) Activities

**1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Corporate Social Responsibility (CSR) is the contribution from the Corporate towards Social and Economic development of Society. CSR integrates Organization, Society and Planet. CSR policy should ensure activities which may include sustainable development by skill enhancement, sustainable environment, promotion to gender equality, prevention of health care and sanitation, care for senior citizens and differently able persons, etc.

Company will undertake projects/activities under Corporate Social Responsibility as specified in Schedule VII to the Companies Act, 2013.

The CSR policy of the Company is stated in [http://www.sintex.in/wp-content/uploads/2016/07/SIL\\_CSR\\_policy.pdf](http://www.sintex.in/wp-content/uploads/2016/07/SIL_CSR_policy.pdf)

**2. Composition of the CSR Committee:**

Mr. Amit D. Patel, Chairman – Managing Director (Group)

Mr. Rahul A. Patel, Member – Managing Director (Group)

Mr. Rajesh B. Parikh, Member - Independent Director

**3. Average net profit of the company for last three financial years**

Average net profit: ₹ 503.23 Crores

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

The Company is required to spend ₹ 10.06 Crores towards CSR.

**5. Details of CSR spent during the financial year.**

(a) Total amount spent for the financial year: ₹ 9.55 Crores

(b) Amount unspent, if any: ₹ 0.51 Crores

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

(₹ in Lac)

CSR Project or Activities	Sector	Location of the project/ program	Amount outlay (Budget)	Amount spent on the project/ program	Cumulative expenditure upto the reporting period	Amount spent direct/ implementing agency
Promoting healthcare & preventive healthcare	Healthcare	Surat	300.00	300.00	300.00	Direct
Eradicating hunger, poverty and malnutrition	Public Welfare	Ahmedabad	620.00	620.00	920.00	Direct

CSR Project or Activities	Sector	Location of the project/ program	Amount outlay (Budget)	Amount spent on the project/ program	Cumulative expenditure upto the reporting period	Amount spent direct/ implementing agency
Promoting education including special education for benefits of students, employment enhancing vocation skills	Education	Rajula	21.00	21.00	941.00	Direct
Promoting healthcare & preventive healthcare	Healthcare	Kalol/Mumbai	8.00	8.00	949.00	Direct
Promoting healthcare & preventive healthcare	Healthcare	Ahmedabad/ Gandhinagar	6.00	6.00	955.00	Through Shradha Social Welfare and Charitable Trust

**6. Reasons for not spending the prescribed CSR expenditure:**

The Company's CSR initiatives usually involve setting the foundation of various programs at a small scale to learn from on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community. For this reason, during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable, which coupled with new initiatives that may be considered in future, moving forward, the Company will endeavor to spend on CSR activities in accordance with the prescribed limits.

**7. The CSR Committee, hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.**

Date: 17th July, 2018

Place: Ahmedabad

**Amit D. Patel**

*Chairman, CSR Committee*

**Rahul A. Patel**

*Managing Director (Group)*

## Annexure B to Directors' Report

Form No. MR-3

### SECRETARIAL AUDIT REPORT

for the financial year ended 31st March, 2018

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

To,  
The Members,  
**Sintex Industries Limited,**  
KALOL – 382 721 (Gujarat)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sintex Industries Limited (CIN: L17110GJ1931PLC000454). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company, having its Registered Office at "Kalol – 382 721 (Gujarat) for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made there under;
- (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 there under 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:
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) 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;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period)**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**
- (vi) The Company has complied with the following specifically other applicable laws to the Company:

- (a) Indian Boilers Act, 1923.
- (b) Static and Mobile Pressure Vessels Rules, 1999.
- (c) Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996.
- (d) Hazardous Wastes (Management and Handling) Rules, 1989.
- (e) The Water (Prevention and Control of Pollution) Act, 1974
- (f) The Water (Prevention and Control of Pollution) Cess Act, 1977.
- (g) Air (Prevention and Control of Pollution) Act, 1981.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors 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 usually sent 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.

There were no dissenting views on any matter.

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

**We further report that** during the audit period, the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

During the year under review:

1. The Company has entered into a Composite Scheme of Arrangement with Sintex Plastics Technology Limited, Sintex-BAPL Limited, Sintex Prefab and Infra Limited and their respective shareholders and creditors to transfer Custom Moulding Undertaking and Prefab Undertaking of the Company to Sintex-BAPL Limited and Sintex Prefab and Infra Limited, respectively, having appointed date as 1st April, 2016. The Scheme had been approved by the Hon. National Company Law Tribunal, Ahmedabad Bench on 23rd March, 2017 and the effective date of the scheme was fixed as 12th May, 2017. Accordingly, all the assets and liabilities of Custom Moulding business (including strategic investment in Sintex Holdings BV (WOS) and prefab business have been transferred and vested in respective companies. The Scheme is under progressive implementation.
2. During the Audit period, the Company has allotted 4,93,99,134 Equity Shares of ₹1/- each on conversion of FCCB to FCCBs holders.
3. During the Audit period, the Company has adopted new set of Articles of Association at the Annual General Meeting held on 14th September, 2017.

**For, M. C. Gupta & Co,**  
Company Secretaries  
UCN: S1986GJ003400

Place: Ahmedabad  
Date: July 17, 2018

**Mahesh C Gupta**  
Proprietor  
FCS: 2047 (CP: 1028)

*Note: This Report is to be read with Our Letter of even date which is annexed as Annexure "A" and forms an integral part of this report.*



**Annexure: "A"**

To,  
The Members,  
**Sintex Industries Limited,**  
KALOL – 382 721 (Gujarat)

Our Report of even date is to be read along with this Letter;

1. Maintenance of Secretarial Record is the responsibility of the management of the Company. Our responsibility is to express an opinion on Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For, M. C. Gupta & Co,**  
*Company Secretaries*  
UCN: S1986GJ003400

**Mahesh C Gupta**  
*Proprietor*  
FCS: 2047 (CP: 1028)

Place: Ahmedabad  
Date: July 17, 2018

## Annexure C to Directors' Report

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2018 is given here below and forms part of the Directors' Report.

#### (A) CONSERVATION OF ENERGY –

##### 1) The steps taken or impact on conservation of energy

In light of the global challenges concerning energy security, the Company considers energy management as one of the key components of its responsible business strategy;

##### Yarn Division :

- Installed Bus Bar Trunking system to feed power to Ring Frame and Link Conner machines in Unit 1, 2 & 3 & 4, 5, 6, instead of using cables. This has reduced the losses substantially.
- We have installed screw compressors with VFD arrangement. The VFD enables compressor to run as per requirement hence the losses are avoided.
- 18 Watt LED light model selected for unit – 8.
- All Plants are equipped with LED lights. This has reduced lighting Power consumption.
- PPR Pipes are selected for Water & Air distributions to avoid Pressure drop. This will enable Power Saving.
- The H Plant Motors are equipped with VFD's for Power Saving.
- We have engineered all our outdoor lighting and in 220 KV switchyard with the use of timer. This saves energy considerably as it avoids manual switching.
- In case of Penal and bus duct heater, we are switching off power supply during summer, thus saving energy using natural heating.

##### Textile Division :

- Installed Air compressor working pressure, which reduced from 7.1 Bar to 6.5 Bar.
- Heat recovered from HRU of centrifugal compressor by using RO water circulation.

- PAT-1 M & V and PAT-1 mandatory energy audit conducted for the year 2016-17.
- Inverter drive installed in Harish stenter machine for blower fan motor - 8 nos.
- Pressure reducing valve installed on CBR drying range.
- H- Plant suction rotary filter installed to improve plant performance.

##### 2) The steps taken by the company for utilizing alternate sources of energy;

- The 3 MW system is installed on roof of Unit 2 & 3 and it is under commissioning process.
- The Company is in process for installing 4.5 MW roof top solar power generation system.

##### 3) The capital investment on energy conservation equipments: ₹ 9.89 Crores

#### (B) TECHNOLOGY ABSORPTION –

##### i) Major efforts made towards technology absorption

Following efforts are made to improve cost effective technology for productive and quality improvement.

##### Yarn Division :

- The company has hired International level Management consultancy even for the operator training with a vision of making this company as a world class organization.
- In addition to improving skills at operator level, the company is also organizing technical trainings by the suppliers/ technology partners to provide better understanding of the technology by the entire technical staff.
- The company has installed latest spinning machineries in all of the spinning units, with maximum possible automation & technical features.

- The material transportation from roving frame to Ring spinning & then from Ring to Winding process is fully automatic & the entire technical staff have learned its know-how by handling day to day operational problems & hands on experience on this automation system due to which improvement is noticed in overall operational efficiency.
- The usage of ultra-modern quality control facilities, online quality, production & humidification control systems in all Units is approaching towards excellence as the organization is growing & people are gaining further experience.
- Highly skilled & qualified technical hired by the Company is also providing adequate technical inputs to the subordinate staff to maximize the operational efficiency by having best use of the available technology.
- Packing automation have been done in one Unit & now it will be done in all Units. The operators, staff have been trained adequately to handle this new process.
- The Company has invested adequately in the machinery maintenance equipment's for maintaining the quality. The concerned staff handling these equipment's have been trained suitably & they are utilizing these equipment's in best possible way.
- Overall year 2017-18 was the phase of new learning, experiencing the latest art & technology & delivering best of best.

#### **Textile Division :**

- Motex 15000 stenter machine - 8 chamber with MAHLO installed in Finishing Department.
- Zimmer printing machine, CST DLE Rotary type 2000 machine installed in Printing Department.
- Monfongtex 8000 (Fongs) sanforise machine installed at Finishing Department.
- Yesh Inspection machine installed at Inspection Department.

#### **ii) The benefits derived like product improvement, cost reduction, product development or import substitution**

#### **Yarn Division :**

- In continuation to the progress done in last year, the products manufactured at Yarn division have been much appreciated in domestic as well as International markets

within short time span & the Company has achieved status of preferred supplier in Domestic & Export customer base.

- The challenges in current year will be to establish Linen & Melange yarn products in markets, Linen Yarn Manufacturing is a new technology & process for the Company & the focus will be to establish these new products within minimum possible time by fast learning of technology, process & skills.
- The various cost elements starting from procurement of Raw material, packing material & various consumable items like card clothing, Rings, belts, bearings, spindle tapes, ring travelers etc. are monitored very closely by the team to minimize the operational cost.
- The concept of no touch to the material in process is going well & has resulted in quality improvement.
- Adoption of new technology with maximum automated processes have helped a lot in avoiding unnecessary machine stoppages due to labor shortage & thus resulted in higher machine & labour productivity.
- There are continues efforts by the team to minimize the waste at each stage of the process by taking advantage of latest technology, maximum capacity utilization, productivity without compromising on quality.
- Import substitution will be key area of concern & regular efforts will be done to develop cost competitive local vendors for various consumable items.
- Due to automation & plant sizes the company is taking advantage of economy of scale & will be able to produce with minimum overheads on completion of the project.
- The Company has added Slub, CSY yarn attachments by retrofitting additional components on the Ring frame & TFO yarn process in Unit-1 to 5 & have started manufacturing these value added products.

#### **Textile Division :**

- Motex 15000 Machine : High speed machine, production increased and energy saving in term of production quantity.
- Introduced new printing line with reactive and pigment printing production.
- Installed new sanforise machine at finishing dept.
- Yesh Inspection machine installed at Inspection dept. to ensure before cut plan of the fabric, batch to batch inspection and mapping after that fabric, so waste will be minimise.

**iii) Information regarding imported technology (imported during the last three years)-**

**(a) the details of technology imported;**

- Linen project machinery Hackling to Ring spinning process M/s Goldman & M/s Jinday China.
- Spinning Machinery Blow room, Cards, Combing preparation, Draw frames from Rieter Switzerland.
- Humidification systems from Turkey & Switzerland.
- Link coners from Muratec Japan.
- Lab equipments, HVI-1000, UT5, UT6, AFIS, UTR4, UTJ, HL400, CMT-5, online quality monitoring system UQC-3, contamination sorters Vision shield from M/s Uster Switzerland.
- Roving transport system & overhead cleaners from M/s Electrojet Spain.
- Cots Buffing machine BERKOL from Germany.
- Roving frames from M/s Marzoli Italy

**(b) the year of import; 2015-2017**

**(c) whether the technology been fully absorbed :**

- 100% have been absorbed in Unit-1 to 6 & in Linen and other value added yarn like slub, lycra. Unit 15% have been absorbed & it will be 100% within another 6 months.

**(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;**

Not Applicable

**iv) Expenditure incurred on Research and Development. :**

The Company has incurred an expenditure of ₹ 0.17 Crores towards Research and Development.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

(₹ in Crore)

Description	2017-18	2016-17
Foreign Exchange Earned in terms of Actual Inflows	131.47	38.02
Foreign Exchange Used in terms of Actual outflows	598.62	396.99

## Annexure D to Directors' Report

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 31st March, 2018

[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:-	L17110GJ1931PLC000454
ii) Registration Date:	01/06/1931
iii) Name of the Company:	Sintex Industries Limited
iv) Category / Sub-Category of the Company:	Public Company/Limited by shares
v) Address of the Registered office and contact details:	Kalol 382721, Gujarat, India Tel: +91-2764-253000 Fax: +91-2764-222868
vi) Whether listed company Yes / No :	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any :	Link Intime India Pvt. Ltd 506 TO 508, Amarnath Business Centre – 1 ( ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006. Tel : 079 - 2646 5179 Email : ahmedabad@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service*	% to total turnover of the company#
1	Spinning, weaving and finishing of textiles	131	100.00

\* As per National Industrial Classification- Ministry of Statistics and Programme Implementation

# On the basis of Gross Turnover

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

Sr. No.	Name of the Company	Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	BVM Overseas Limited	119, Kalasagar Shopping HUB, First floor, Opposite Saibaba Temple, Sattadhar, Ahmedabad, Gujarat – 380 061	U51900GJ2015PLC084582	Subsidiary	100.00	2(87)(ii)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

CATEGORY OF SHAREHOLDER	No. of the shares held at the beginning of the year 01/04/2017				No. of shares held at the end of the year 31/03/2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>A. PROMOTERS</b>									
<b>(1) INDIAN</b>									
a) Individual/HUF	3004149	0	3004149	0.55	3004149	0	3004149	0.51	-0.05
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	166976978	0	166976978	30.66	166976978	0	166976978	28.11	-2.55
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other..	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB-TOTAL A(1)</b>	<b>169981127</b>	<b>0</b>	<b>169981127</b>	<b>31.21</b>	<b>169981127</b>	<b>0</b>	<b>169981127</b>	<b>28.61</b>	<b>-2.60</b>
<b>(2) FOREIGN</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other.	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB-TOTAL A(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL SHAREHOLDING OF PROMOTER(A)=A(1)+A(2)</b>	<b>169981127</b>	<b>0</b>	<b>169981127</b>	<b>31.21</b>	<b>169981127</b>	<b>0</b>	<b>169981127</b>	<b>28.61</b>	<b>-2.60</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. INSTITUTIONS</b>									
a) Mutual Funds	30622129	2000	30624129	5.62	1692000	0	1692000	0.28	-5.34
b) Banks/FI	6228737	11900	6240637	1.15	6959972	11200	6971172	1.17	0.03
c) Central Govt	0	0	0	0.00	536486	0	536486	0.09	0.09
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs /FPI	142613595	17564138	160177733	29.41	60482671	0	60482671	10.18	-19.23
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB-TOTAL B(1)</b>	<b>179464461</b>	<b>17578038</b>	<b>197042499</b>	<b>36.17</b>	<b>69671129</b>	<b>11200</b>	<b>69682329</b>	<b>11.73</b>	<b>-24.44</b>
<b>2 NON-INSTITUTIONS</b>									
a) Bodies Corporate									
i) Indian	28976623	700	28977323	5.32	36128263	39280	36167543	6.09	0.77
ii) Overseas	209001	0	209001	0.04	0	0	0	0.00	-0.04
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹2 lakh	116204640	3085812	119290452	21.90	263102292	2421739	265524031	44.69	22.79
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	10345037	0	10345037	1.90	20481573	0	20481573	3.45	1.55

CATEGORY OF SHAREHOLDER	No. of the shares held at the beginning of the year 01/04/2017				No. of shares held at the end of the year 31/03/2018				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
c) Others									
(c-i) Trust	113761	0	113761	0.02	808073	0	808073	0.14	0.12
(c-ii) NRIs	5856202	7110	5863312	1.08	11697529	5060	11702589	1.97	0.89
(c-iii) Foreign National	21600	0	21600	0.00	0	0	0	0.00	0.00
(c-iv) Hindu Undivided Family	5959602	0	5959602	1.09	10693339	0	10693339	1.80	0.71
(c-v) Foreign Portfolio Investor (Individual)	0	0	0	0.00	100000	0	100000	0.02	0.02
(c-vi) Clearing Members	6865670	0	6865670	1.26	8953604	0	8953604	1.51	0.25
(c-vii) Associated Person	1500	1530	3030	0.00	780	0	780	0.00	0.00
(c-viii) Directors/Relatives	100	23440	23540	0.00	100	0	100	0.00	0.00
<b>SUB-TOTAL B(2)</b>	<b>174553736</b>	<b>3118592</b>	<b>177672328</b>	<b>32.62</b>	<b>351965553</b>	<b>2466079</b>	<b>354431632</b>	<b>59.66</b>	<b>27.04</b>
<b>TOTAL PUBLIC SHAREHOLDING (B)=B(1)+B(2)</b>	<b>354018197</b>	<b>20696630</b>	<b>374714827</b>	<b>68.79</b>	<b>421636682</b>	<b>2477279</b>	<b>424113961</b>	<b>71.39</b>	<b>2.59</b>
<b>C.SHARES HELD BY CUSTODIANS FOR GDRS &amp; ADRS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>523999324</b>	<b>20696630</b>	<b>544695954</b>	<b>100.00</b>	<b>591617809</b>	<b>2477279</b>	<b>594095088</b>	<b>100.00</b>	<b>0.00</b>

Note: The FCCB Committee has allotted 7,06,22,467 Equity Shares of Re. 1/- each on conversion of US \$ 9,65,00,000 aggregate principal amount of FCCB Bonds into Equity Shares till 31.03.2018.

ii) Shareholding of Promoters and Promoters' Group

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01-04-2017			Shareholding at the end of the year 31-03-2018			% change in share holding 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	Pranay Arunprasad Patel	758830	0.14	0.00	758830	0.13	0	-0.01
2	Rahulbhai Patel	497090	0.09	0.00	497090	0.08	0	-0.01
3	Amit Patel	398425	0.07	0.00	398425	0.07	0	-0.01
4	Deval Rahul Patel	262500	0.05	0.00	262500	0.04	0	0.00
5	Leena Arunprasad Patel	177970	0.03	0.00	177970	0.03	0	0.00
6	Arunprasad Purshottamdas Patel	327710	0.06	0.00	327710	0.06	0	-0.01
7	Dineshchandra Patel	290536	0.05	0.00	290536	0.05	0	0.00
8	Kalavati Patel	225468	0.04	0.00	225468	0.04	0	0.00
9	Poonam Pranay Patel	65620	0.01	0.00	65620	0.01	0	0.00
10	BVM Finance Private Limited	78103905	14.34	87.58	78103905	13.15	73.94	-1.19
11	Opel Securities Private Limited	30223452	5.55	41.36	30223452	5.09	45.66	-0.46
12	Kolon Investment Pvt. Ltd.	55877110	10.26	22.37	55877110	9.41	56.73	-0.85
13	Star Line Leasing Ltd.	1713221	0.31	0.00	1713221	0.29	0	-0.03
14	Som Shiva (Impex) Limited	262500	0.05	0.00	262500	0.04	0	0.00
15	Prominent Plastics Limited	796790	0.15	0.00	796790	0.13	0	-0.01
<b>Total</b>		<b>169981127</b>	<b>31.21</b>		<b>169981127</b>	<b>28.61</b>		

**(iii) Change in Promoters and Promoters' Group Shareholding (please specify, if there is no change)**

Sl. No.	Shareholding at the beginning of the year	Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
					No. of shares	% of total shares of the company
	No. of shares at the beginning (01-04-2017)/end of the year(31-03-2018)	% of total shares of the company				
	At the beginning of the year	169981127	31.21			
	At the end of the year	169981127	28.61	31-03-2018		169981127 28.61

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr No.	Name	Shareholding at the beginning of the year -01/04/2017		Transactions during the year		Reason	Cumulative Shareholding at the end of the year -31/03/2018	
		No. of shares at the beginning (01-04-2017)/end of the year(31-03-2018)	% of total shares of the Company	Date of Transaction	Increase/Decrease in shareholding		No of Shares Held	% of total shares of the Company
1	EAST BRIDGE CAPITAL MASTER FUND LIMITED	14677755	2.47				14677755	2.47
				26 May 2017	5000000	Transfer	19677755	3.31
				21 Jul 2017	(2655607)	Transfer	17022148	2.87
				08 Sep 2017	(1775928)	Transfer	15246220	2.57
				23 Mar 2018	(312699)	Transfer	14933521	2.51
	AT THE END OF THE YEAR			31 Mar 2018		14933521	2.51	
2	GOVERNMENT PENSION FUND GLOBAL	7586577	1.28	07 Apr 2017	937863	Transfer	8524440	1.43
				26 May 2017	(5400379)	Transfer	3124061	0.53
				25 Aug 2017	2019448	Transfer	5143509	0.87
				22 Sep 2017	4416189	Transfer	9559698	1.61
				02 Mar 2018	(394621)	Transfer	9165077	1.54
				09 Mar 2018	(48898)	Transfer	9116179	1.53
				16 Mar 2018	(589268)	Transfer	8526911	1.44
				23 Mar 2018	(909943)	Transfer	7616968	1.28
				31 Mar 2018	(720795)	Transfer	6896173	1.16
	AT THE END OF THE YEAR			31 Mar 2018		6896173	1.16	
3	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDEX FUNDS	5635712	0.95	07 Apr 2017	68452	Transfer	5704164	0.96
				28 Apr 2017	6280	Transfer	5710444	0.96
				05 May 2017	50240	Transfer	5760684	0.97
				12 May 2017	15700	Transfer	5776384	0.97
				19 May 2017	33912	Transfer	5810296	0.98
				02 Jun 2017	13816	Transfer	5824112	0.98
				07 Jul 2017	21980	Transfer	5846092	0.98
				14 Jul 2017	15700	Transfer	5861792	0.99
				04 Aug 2017	13816	Transfer	5875608	0.99



Sr No.	Name	Shareholding at the beginning of the year -01/04/2017		Transactions during the year		Reason	Cumulative Shareholding at the end of the year -31/03/2018	
		No. of shares at the beginning (01-04-2017)/end of the year(31-03-2018)	% of total shares of the Company	Date of Transaction	Increase/Decrease in shareholding		No of Shares Held	% of total shares of the Company
				11 Aug 2017	18212	Transfer	5893820	0.99
				01 Sep 2017	22608	Transfer	5916428	1.00
				08 Sep 2017	32028	Transfer	5948456	1.00
				15 Sep 2017	28888	Transfer	5977344	1.01
				06 Oct 2017	18840	Transfer	5996184	1.01
				13 Oct 2017	19468	Transfer	6015652	1.01
				20 Oct 2017	14444	Transfer	6030096	1.02
				27 Oct 2017	13188	Transfer	6043284	1.02
	AT THE END OF THE YEAR			31 Mar 2018			6043284	1.02
4	LIC OF INDIA MARKET PLUS 1 GROWTH FUND	5108916	0.86				5108916	0.86
	AT THE END OF THE YEAR			31 Mar 2018			5108916	0.86
5	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	4369857	0.74				4369857	0.7355
				24 Nov 2017	565807	Transfer	4935664	0.83
	AT THE END OF THE YEAR			31 Mar 2018			4935664	0.83
6	MV SCIF MAURITIUS	3310484	0.56				3310484	0.56
				07 Apr 2017	75000	Transfer	3385484	0.57
				14 Apr 2017	37500	Transfer	3422984	0.58
				21 Apr 2017	37480	Transfer	3460464	0.58
				28 Apr 2017	374774	Transfer	3835238	0.65
				05 May 2017	74948	Transfer	3910186	0.66
				19 May 2017	374622	Transfer	4284808	0.72
				02 Jun 2017	37462	Transfer	4322270	0.73
				16 Jun 2017	76142	Transfer	4398412	0.74
				23 Jun 2017	397495	Transfer	4795907	0.81
				07 Jul 2017	(245484)	Transfer	4550423	0.77
				21 Jul 2017	(81838)	Transfer	4468585	0.75
				11 Aug 2017	55549	Transfer	4524134	0.76
				15 Sep 2017	(164724)	Transfer	4359410	0.73
				22 Sep 2017	(45277)	Transfer	4314133	0.73
				29 Sep 2017	14044	Transfer	4328177	0.73
				06 Oct 2017	4446	Transfer	4332623	0.73
				27 Oct 2017	65402	Transfer	4398025	0.74
				03 Nov 2017	202874	Transfer	4600899	0.77
				10 Nov 2017	162100	Transfer	4762999	0.80
				15 Dec 2017	40479	Transfer	4803478	0.81
				22 Dec 2017	130250	Transfer	4933728	0.83
				12 Jan 2018	(41739)	Transfer	4891989	0.82
				09 Feb 2018	(208565)	Transfer	4683424	0.79

Sr No.	Name	Shareholding at the beginning of the year -01/04/2017		Transactions during the year		Reason	Cumulative Shareholding at the end of the year -31/03/2018	
		No. of shares at the beginning (01-04-2017)/end of the year(31-03-2018)	% of total shares of the Company	Date of Transaction	Increase/Decrease in shareholding		No of Shares Held	% of total shares of the Company
				16 Feb 2018	21682	Transfer	4705106	0.79
				16 Mar 2018	(83542)	Transfer	4621564	0.78
				23 Mar 2018	(34178)	Transfer	4587386	0.77
	AT THE END OF THE YEAR			31 Mar 2018			4587386	0.77
7	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC. (DFAIDG)	4221394	0.71	26 Jan 2018	(132718)	Transfer	4088676	0.69
				02 Feb 2018	(114126)	Transfer	3974550	0.67
	AT THE END OF THE YEAR			31 Mar 2018			3974550	0.67
8	WISDOMTREE INDIA INVESTMENT PORTFOLIO, INC.	3496522	0.59	05 May 2017	53710	Transfer	3550232	0.60
				09 Jun 2017	21492	Transfer	3571724	0.60
				16 Jun 2017	53920	Transfer	3625644	0.61
				11 Aug 2017	32346	Transfer	3657990	0.62
				22 Sep 2017	(64062)	Transfer	3593928	0.60
				29 Sep 2017	(10726)	Transfer	3583202	0.60
				24 Nov 2017	63926	Transfer	3647128	0.61
				08 Dec 2017	(107278)	Transfer	3539850	0.60
				15 Dec 2017	(53220)	Transfer	3486630	0.59
				22 Dec 2017	(42562)	Transfer	3444068	0.58
				23 Mar 2018	31917	Transfer	3475985	0.59
	AT THE END OF THE YEAR			31 Mar 2018			3475985	0.59
9	ANGEL BROKING PRIVATE LIMITED	663820	0.11	07 Apr 2017	(90977)	Transfer	572843	0.10
				14 Apr 2017	8706	Transfer	581549	0.10
				21 Apr 2017	20988	Transfer	602537	0.10
				28 Apr 2017	169147	Transfer	771684	0.13
				05 May 2017	61978	Transfer	833662	0.14
				12 May 2017	(38876)	Transfer	794786	0.13
				19 May 2017	109032	Transfer	903818	0.15
				26 May 2017	58668	Transfer	962486	0.16
				02 Jun 2017	2436419	Transfer	3398905	0.57
				09 Jun 2017	534637	Transfer	3933542	0.66
				16 Jun 2017	(50179)	Transfer	3883363	0.65
				23 Jun 2017	(261926)	Transfer	3621437	0.61
				30 Jun 2017	(193292)	Transfer	3428145	0.58
				07 Jul 2017	(534027)	Transfer	2894118	0.49
				14 Jul 2017	(27736)	Transfer	2866382	0.48
				21 Jul 2017	84003	Transfer	2950385	0.50

Sr No.	Name	Shareholding at the beginning of the year -01/04/2017		Transactions during the year		Reason	Cumulative Shareholding at the end of the year -31/03/2018	
		No. of shares at the beginning (01-04-2017)/end of the year(31-03-2018)	% of total shares of the Company	Date of Transaction	Increase/Decrease in shareholding		No of Shares Held	% of total shares of the Company
				28 Jul 2017	295802	Transfer	3246187	0.55
				04 Aug 2017	319589	Transfer	3565776	0.60
				11 Aug 2017	1041464	Transfer	4607240	0.78
				18 Aug 2017	(503316)	Transfer	4103924	0.69
				25 Aug 2017	456411	Transfer	4560335	0.77
				01 Sep 2017	(228500)	Transfer	4331835	0.73
				08 Sep 2017	(98861)	Transfer	4232974	0.71
				15 Sep 2017	255058	Transfer	4488032	0.76
				22 Sep 2017	(114347)	Transfer	4373685	0.74
				29 Sep 2017	(176985)	Transfer	4196700	0.71
				06 Oct 2017	(57477)	Transfer	4139223	0.70
				13 Oct 2017	268844	Transfer	4408067	0.74
				20 Oct 2017	(198562)	Transfer	4209505	0.71
				27 Oct 2017	38846	Transfer	4248351	0.72
				03 Nov 2017	287738	Transfer	4536089	0.76
				10 Nov 2017	(34919)	Transfer	4501170	0.76
				17 Nov 2017	(267413)	Transfer	4233757	0.71
				24 Nov 2017	116451	Transfer	4350208	0.73
				01 Dec 2017	(162574)	Transfer	4187634	0.70
				08 Dec 2017	(135631)	Transfer	4052003	0.68
				15 Dec 2017	97727	Transfer	4149730	0.70
				22 Dec 2017	(67722)	Transfer	4082008	0.69
				29 Dec 2017	(64874)	Transfer	4017134	0.68
				30 Dec 2017	50	Transfer	4017184	0.68
				05 Jan 2018	(204374)	Transfer	3812810	0.64
				12 Jan 2018	71770	Transfer	3884580	0.65
				19 Jan 2018	143202	Transfer	4027782	0.68
				26 Jan 2018	(104040)	Transfer	3923742	0.66
				02 Feb 2018	7668	Transfer	3931410	0.66
				09 Feb 2018	(407959)	Transfer	3523451	0.59
				16 Feb 2018	(69582)	Transfer	3453869	0.58
				23 Feb 2018	(3486)	Transfer	3450383	0.58
				02 Mar 2018	(88111)	Transfer	3362272	0.57
				09 Mar 2018	47020	Transfer	3409292	0.57
				16 Mar 2018	(130840)	Transfer	3278452	0.55
				23 Mar 2018	148195	Transfer	3426647	0.58
				31 Mar 2018	(143275)	Transfer	3283372	0.55
				31 Mar 2018			3283372	0.55

AT THE END OF THE YEAR

Sr No.	Name	Shareholding at the beginning of the year -01/04/2017		Transactions during the year		Reason	Cumulative Shareholding at the end of the year -31/03/2018	
		No. of shares at the beginning (01-04-2017)/end of the year(31-03-2018)	% of total shares of the Company	Date of Transaction	Increase/Decrease in shareholding		No of Shares Held	% of total shares of the Company
10	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	6679967	1.12				6679967	1.12
				07 Apr 2017	26940	Transfer	6706907	1.13
				21 Apr 2017	600000	Transfer	7306907	1.23
				26 May 2017	(2874767)	Transfer	4432140	0.75
				02 Jun 2017	(796)	Transfer	4431344	0.75
				09 Jun 2017	(41406)	Transfer	4389938	0.74
				30 Jun 2017	(15253)	Transfer	4374685	0.74
				14 Jul 2017	(377)	Transfer	4374308	0.74
				21 Jul 2017	(368164)	Transfer	4006144	0.67
				22 Sep 2017	7314	Transfer	4013458	0.68
				29 Sep 2017	(187)	Transfer	4013271	0.68
				27 Oct 2017	(223)	Transfer	4013048	0.68
				01 Dec 2017	(192)	Transfer	4012856	0.68
				08 Dec 2017	(1238)	Transfer	4011618	0.68
				29 Dec 2017	(183)	Transfer	4011435	0.68
				05 Jan 2018	296	Transfer	4011731	0.68
				12 Jan 2018	(227)	Transfer	4011504	0.68
				26 Jan 2018	(140)	Transfer	4011364	0.68
				02 Mar 2018	(50)	Transfer	4011314	0.68
				16 Mar 2018	(453758)	Transfer	3557556	0.60
				23 Mar 2018	(556075)	Transfer	3001481	0.51
	AT THE END OF THE YEAR			31 Mar 2018			3001481	0.51

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year - 01-04-2017		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares at the beginning (01-04-2017)/end of the year(31-03-2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
<b>A</b>	<b>Directors:</b>							
1	Dinesh B. Patel, Chairman	290536	0.05	01/04/2017 31/03/2018	Nil	NA	290536 290536	0.05 0.05
2	Arun P. Patel, Vice Chairman	327710	0.06	01/04/2017 31/03/2018	Nil	NA	327710 327710	0.06 0.06
3	Rahul A. Patel, Managing Director (Group)	497090	0.09	01/04/2017 31/03/2018	Nil	NA	497090 497090	0.09 0.08
4	Amit D. Patel, Managing Director (Group)	398425	0.07	01/04/2017 31/03/2018	Nil	NA	398425 398425	0.07 0.07
5	Dr. Narendra K. Bansal	0	0.00	01/04/2017 31/03/2018	Nil	NA	0	0.00

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year - 01-04-2017		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No. of shares at the beginning (01-04-2017)/end of the year(31-03-2018)	% of total shares of the Company				No. of shares	% of total shares of the Company
6	Dr. Rajesh B. Parikh	100	0.0	01/04/2017 31/03/2018	Nil	NA	100 100	0.00 0.00
7	Dr. LavkumarKantilal	0	0.0	01/04/2017 31/03/2018	Nil	NA	0 0	0.00 0.00
8	Maitri Kirankumar Mehta (appointed as a director w.e.f. 30.10.2017)	NA	NA	01/04/2017 31/03/2018	Nil	NA	0 0	0.00 0.00
9	Sunil Kumar Kanojia (appointed as a director w.e.f. 30.10.2017)	NA	NA	01/04/2017 31/03/2018	Nil	NA	0	0.00
10	Vimal R. Ambani (appointed as a director w.e.f. 12.01.2018)	NA	NA	01/04/2017 31/03/2018	Nil	NA	4700 4700	0.00 0.00
11	Gagan Deep Singh (appointed as a director w.e.f. 08.05.2018)	NA	NA	01/04/2017 31/03/2018	Nil	NA	NA NA	NA NA
12	S.B. Dangayach, Managing Director (ceased to be Managing Director and Non-Executive director w.e.f. 06/06/2017)	23440	0.00	01/04/2017 31/03/2018	Nil	NA	NA NA	NA NA
13	Ashwin Lalbhai Shah (ceased to be director w.e.f. 14/09/2017)	0	0	01/04/2017 31/03/2018	Nil	NA	NA NA	NA NA
14	Indira J. Parikh (ceased to be director w.e.f. 14/09/2017)	0	0	01/04/2017 31/03/2018	Nil	NA	NA NA	NA NA
15	Ramniklal H. Ambani (ceased to be director w.e.f. 01/01/2018)	0	0	01/04/2017 31/03/2018	Nil	NA	NA NA	NA NA
<b>B</b>	<b>Key Managerial Personnel (KMP's):</b>							
1.	Prashant Shah, Head – Accounts & Audit and CFO	0	0.0	01/04/2017 31/03/2018	Nil	NA	0 0	0.00 0.00
2	Hitesh T. Mehta, Company Secretary and Compliance Officer	0	0	01/04/2017 31/03/2018	Nil	NA	0 0	0.00 0.00

## V. INDEBTEDNESS

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

(₹ in Crore)

Particulars	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness as on 01-04-2017</b>				
(i) Principal Amount	3,679.36	456.05	-	4,135.41
(ii) Interest accrued but not due	2.68	19.28	-	21.96
(iii) Interest accrued on borrowing	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>3,682.04</b>	<b>475.33</b>	<b>-</b>	<b>4,157.37</b>
<b>Change in Indebtedness during the financial year 2017-18</b>				
Addition	1,773.12	49.60	-	1,822.72
Reduction	-187.08	-327.68	-	-514.76
<b>Net Change</b>	<b>1,586.04</b>	<b>-278.08</b>	<b>-</b>	<b>1,307.96</b>
Indebtedness as on 31-03-2018				
i) Principal Amount	5,265.40	177.97	-	5,443.37
ii) Interest accrued but not due	18.26	16.17	-	34.43
iii) Interest accrued on borrowings	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>5,283.66</b>	<b>194.15</b>	<b>-</b>	<b>5,477.81</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Directors, Whole-time Directors and/or Manager:

(₹ In Lacs)

Sl. No.	Particulars of Remuneration	Rahul A. Patel	Amit D. Patel	S. B. Dangayach	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	512.40	520.99	18.72	1052.11
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	(9.00)*	(9.00)*	(0.82)*	(18.82)*
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	(300.00)*	(300.00)*	-	(600.00)*
	- as % of profit	1.71	1.71	-	3.42
	- others specify				
	Others, please specify				
	<b>Total (A)</b>	<b>512.40</b>	<b>520.99</b>	<b>18.72</b>	<b>1052.11</b>
	Ceiling as per Act @ 10%				₹ 1754.20

\*Included in (a) above.

### B. Remuneration to other directors:

(₹ In Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors										Total Amount
		Dinesh B Patel	Arun P Patel	Ramnikbhai H. Ambani	Ashwin Lalbhai Shah	Indira J. Parikh	Dr. N. K. Bansal	Dr. Rajesh B. Parikh	Dr. Lavkumar Kantilal Shah	Maitri Mehta	Sunil Kumar Kanojia	
<b>Independent Directors</b>												
	Fee for attending board / committee meetings	-	-	2.69	2.94	-	4.63	5.13	2.53	2.09	1.69	21.70
	Commission	-	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>-</b>	<b>-</b>	<b>2.69</b>	<b>2.94</b>	<b>-</b>	<b>4.63</b>	<b>5.13</b>	<b>2.53</b>	<b>2.09</b>	<b>1.69</b>	<b>21.70</b>
<b>Other Non-Executive Directors</b>												
	Fee for attending Board / committee meetings	2.54	3.38	-	-	-	-	-	-	-	-	5.92
	Commission	-	-	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>2.54</b>	<b>3.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.92</b>
	<b>Total (B)=(1+2)</b>	<b>2.54</b>	<b>3.38</b>	<b>2.69</b>	<b>2.94</b>	<b>-</b>	<b>4.63</b>	<b>5.13</b>	<b>2.53</b>	<b>2.09</b>	<b>1.69</b>	<b>27.62</b>
	Overall Ceiling as per the Act @1%											₹ 175.42
	<b>Total Remuneration (A) + (B)</b>											<b>₹ 1079.73</b>

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ In Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Prashant Shah, Head – Accounts & Audit and CFO	Hitesh Mehta, Company Secretary	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45.58	10.18	55.76
	(b) Value of perquisites/s 17(2) of the 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	-	-	--
	<b>Total</b>	<b>45.58</b>	<b>10.18</b>	<b>55.76</b>

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of Companies Act	Brief description	Details of penalty/punishment/ Compounding fees imposed	Authority [RD/ NCLT/Court]	Appeal made, if any give details
<b>A. COMPANY</b>					
Penalty					
Punishment			Nil		
Compounding					
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment					
Compounding					

For and on behalf of the Board of Directors

Date: 17th July, 2018  
Place: AhmedabadDinesh B. Patel  
Chairman  
(DIN: 00171089)

# Management discussion and analysis

## INDIAN ECONOMIC OVERVIEW

Fiscal 2017-18 was an interesting period where the economic downside during the first half gave way to robust resurgence in the second half. So even while the overall GDP growth slowed to 6.7% in 2017-18 from 7.1% in 2016-17, the economic momentum gained in the second half of fiscal 2017-18 holds considerable promise for significant economic growth in the current year.

India's economy accelerated to 7.7% in the three months ended 31 March, the fastest pace in seven quarters, signalling a turnaround from the economic disruption owing to the demonetisation drive and the launch of GST.

The turnaround in the economy was led by robust agriculture (4.5%) and manufacturing growth (9.1%) as well as double-digit growth in construction activities (11.5%) in the March quarter. However, services sectors such as trade, hotels, transport (6.8%) and financial services (5%) decelerated from their levels in the third quarter, signaling a lingering impact from disruptions caused by hasty implementation of the goods and services tax (GST) as well as the state of the banking sector.

The economy, also received a boost from higher government spending (13.3%) in the March quarter. Gross fixed capital formation, a proxy for investment demand in the economy, expanded at a double-digit pace (14.4%) after a gap of seven quarters, signaling a revival in investment activities.

This underscores the reality that the Indian economy has moved past the disruptions triggered by demonetisation of high-value currencies and rollout of the Goods and Services Tax. The latest quarterly corporate earnings data suggest that consumer demand too is reviving.

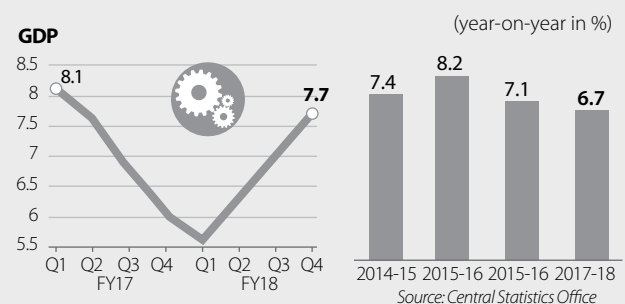
In keeping with the upswing experienced in 2017-18, Deutsche Bank estimates the country to clock a GDP growth of 7.5% in 2018-19 - tad higher than the RBI estimate of 7.4%. But this is subject to timely and adequate mitigation of foreseeable challenges which pose a downside risk to its baseline GDP estimate – these include higher global oil prices, risk of an earlier than anticipated rate hike cycle from the RBI and the potential negative impact of the banking sector frauds on credit and overall growth are some of the factors that pose downside risk to its baseline GDP estimate.

The high points for 2017-18

- India took the bold step of completely resetting its indirect tax system to a comprehensive GST regime.
- India emerged as the most competitive country in South Asia, appearing at No. 40 in the global competitiveness ranking of 137 countries by the World Economic Forum.
- India jumped up 30 notches into the top 100 rankings on the World Bank's 'ease of doing business' index, consequent to major improvements in indicators such as resolving insolvency, paying taxes, protecting minority investors and getting credit.
- India topped management consulting firm AT Kearney's 2017 Global Services Location Index for the eighth consecutive year and extended its lead over other countries from 0.47 last year to 0.76 in 2017.

## Fastest pace in seven quarters

The data indicates that the economy is clawing back to its trend growth prior to demonetization in November 2016



India is now a **\$2.5 trillion** economy

India's March quarter growth is higher than China's (**6.8%**)

Govt's fiscal deficit stands at **3.53%** of GDP in FY18

In keeping with the upswing experienced in 2017-18, Deutsche Bank estimates the country to clock a GDP growth of 7.5% in 2018-19 - tad higher than the RBI estimate of 7.4%.



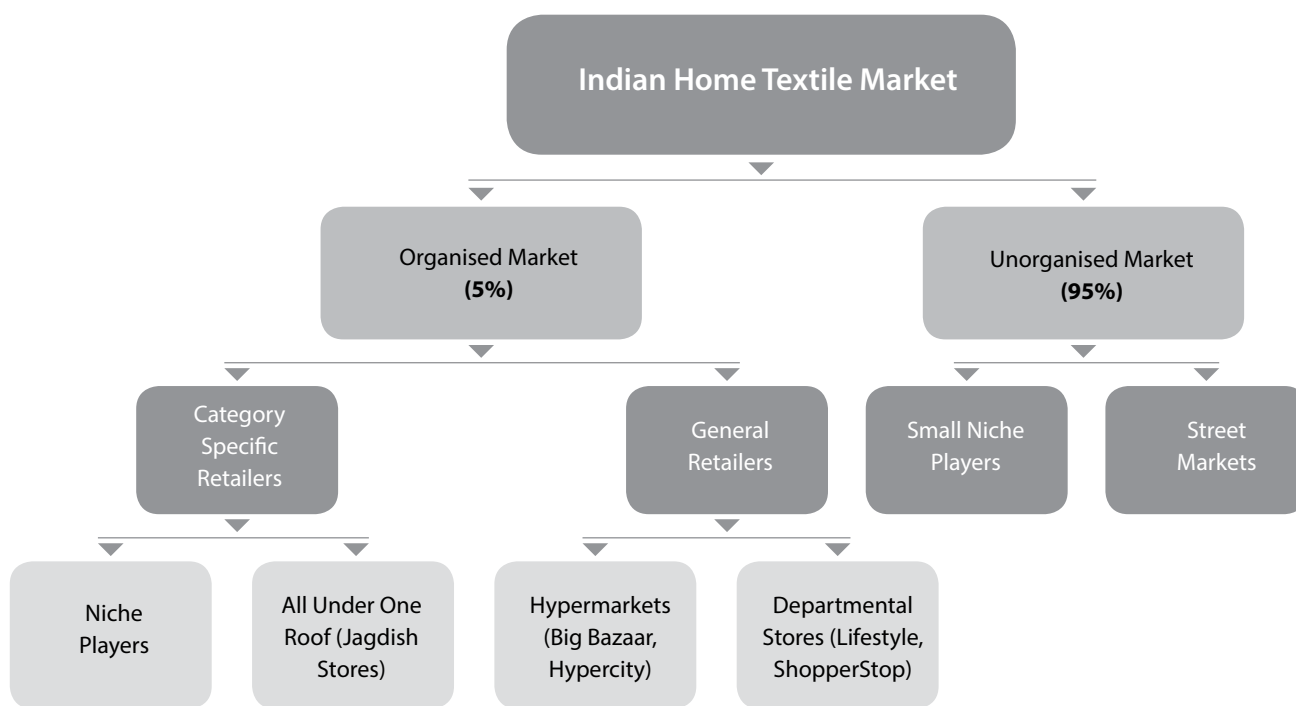
## THE TEXTILE SECTOR

### Overview

India's textiles sector is one of the oldest industries in Indian economy dating back several centuries. Even today, textiles sector is one of the largest contributors to India's exports with approximately 13% of total exports.

The Indian textile industry, currently estimated at around US\$150 billion, is expected to reach US\$ 230 billion by 2020. The Indian Textile Industry contributes approximately 2% to India's Gross Domestic Product (GDP), 10% of manufacturing production and 14% to overall Index of Industrial Production (IIP).

India accounts for 14% of the world's production of textile fibres and yarns (largest producer of jute, second largest producer of silk and cotton, and third largest in cellulosic fibre). India has the highest loom capacity (including hand looms) with 63% of the world's market share.



### Performance in 2017-18

The textile sector witnessed macro headwinds in 2017-18. such as rupee appreciation, higher cotton prices, higher MSP affected the textile industry.

In 2017-18, the rupee witnessed appreciation. The average USD/INR stood at rupees 64.48US\$ which was lower by ~3.7% compared to rupees 66.97US\$ in 2016-17. This affected revenues of textile players negatively.

Rising cotton prices following the pink bollworm infestation in

the cotton crops, has affected margins to major textile players by ~150bps this year. During FY18, cotton prices witnessed volatility of ~19% (annualised) and with physical market size of cotton estimated at around ₹ 68,000crore, the cotton industry faced annualised price risk of over ₹ 13,000crore.

Hence, despite the government's efforts, India's exports of textile and apparel saw a marked decline of 4% to ₹ 2.28 lakh crore in fiscal 2018 as compared to ₹ 2.38 lakh crore reported in the previous fiscal, as per data provided by the Confederation of Indian Textile Industry.

The domestic market growth rate of apparel industry was also flat

during 2017-18 due to continued effect of demonetisation and the launch of GST.

### Union Budget 2018-19

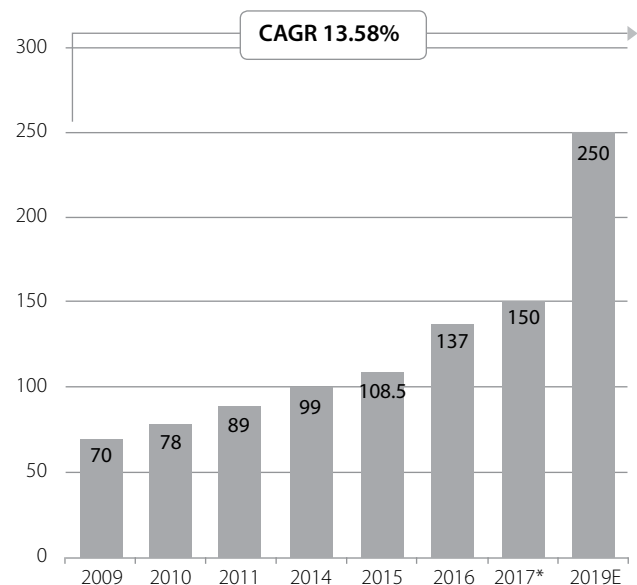
Textiles exports are likely to get a boost with the increase in the special package for the financial year 2018-19. The Government in the Union Budget 2018-19 raised special package by 19% to ₹ 71.48 billion for apparel sector to boost exports.

### Going forward

Increased penetration of organised retail, favourable demographics, and rising income levels are likely to drive demand for textiles

The size of India's textile market as of July 2017 was around US\$ 150 billion, which is expected to touch US\$ 250 billion market by 2019, growing at a CAGR of 13.58% between 2009-2019. Textile and apparel exports from India are expected to increase to US\$ 82 billion by 2021.

**India's textiles market size (US\$ billion)**



\*As on July 2017

E=Estimated

Source: Technopak, Make in India, News Article, Ministry of Textiles

The size of India's textile market as of July 2017 was around US\$ 150 billion, which is expected to touch US\$ 250 billion market by 2019, growing at a CAGR of 13.58% between 2009-2019.

### About the Company

Post demerger, Sintex Industries is a pure-play textile company with a presence in the yarn and fabric segments of the textile value chain. While fabrics has been a traditional business venture, spinning is a more recent initiative.

### The fabric business

The Company weaves multiple varieties of blended high-end shirting (cotton linen, cotton-silk, cotton lycra and cotton-linen-lycra).

The Company offers fabrics with multiple surface finishes (peaching, razing, brushing, etc.); almost 50% of the fabrics comprise designs prepared by the in-house team; there are 24 looms dedicated for product development.

It enjoys a major share of the structured fabric market in India and across the globe by addressing the growing needs of premium men's shirt brands. Marketed under the BVM brand, the Company's fabrics find acceptance with leading global fashion labels and Indian brands. Some of its customer include globally recognised brands namely Triber, Gap, DKNY, Ralph Lauren, Marks & Spencer (international) and Arrow, Zodiac, Van Huesen, Louis Phillippe (domestic).

Sintex is one of the largest corduroy manufacturers in Asia. It manufactures a range of corduroy fabrics, including yarn dyed corduroy and ultima cotton yarn based corduroy.

The Company enjoys the OkoTex standard 100 Certification (ecological and environmental safety certification process for 100 different harmful substances) from M/s Swiss Textile Testing Institute, Testex, Zurich and is one of the few textile mills which are a certified member of Supima Cotton users.

**Institutional segment:** Sintex has been a part of the global fashion circuit for more than a decade, catering to the requirements of leading fashion houses. A substantial and growing proportion of its business comprises selling collections, which it designs and develops through its tie-ups with various European design houses. This provides it with exposure in terms of designs, colours, styles and finishes. The textile innovation team develops more than 36,000 designs each year; the Company has also forged technical and market development alliances with various European Design Houses which keeps them abreast of evolving customer aspirations and emerging design trends globally.

**Retail segment:** The Company has created a retail distribution channel pan-India which markets ready-to-stitch fabric packs to establish an entrenched domestic presence and create mass awareness as a de-risking to its collection business. The success of the retail vertical in the Indian market has spurred the Company to

initiate similar retail channels in the Middle East and Bangladesh for marketing its ready-to-stitch fabric packs – for strengthening its retail business.

### Performance in 2017-18

The business registered revenue of ₹ 301.58 crore in 2017-18 owing to business from the retail and institutional chain.

**Domestic branded business:** During the year under review, the Company generated sizeable volumes from key domestic brands namely LP, Van Huesen, Indian Terrian, UCB Benetton, Raymond, Maxx, FBB, Pantaloons, Mufti, Spykar, among others. This was supported by the new collection comprising 4,000 customised designs by the in-house design studio was well received by the Indian brands.

**International branded business:** The Company entered into strategic tie-up with Marks & Spencer for supplying jacquard fabrics. This alliance would also help Sintex in adding reputed global brands to its customer list namely Scotch & Soda, Diesel, Dress man, Super dry, A&F & Sinsege Korea, & Tommy Europe.

The commissioning of the highly-sophisticated printing line in 2017-18 has also helped in improving the international business. The printed fabric was well appreciated and global brands such as Zara, H&M, Dressman, M&S, Tommy, AEO, G Star, have shifted few printing volumes to Sintex. The Company also expects to initiate printing on shirting corduroy going forward. The team is also in advanced communication with new customers namely PVH and JCP, for their printing volumes.

**Retail business:** The retail business continued to clock increasing volumes as the Company continued to strengthen its distribution network in the regions of its presence.

The Company continued to grow the product range within its ready-to-stitch packs. It introduced the premium Jacquard 'GIZANO Collection' which received an overwhelming customer response. In addition, Dobbies, 100% Linen, Linen prints, Jacquards Linen, Satin Prints were some of the other product introduced in the retail market with new packaging. The team also test marketed the corduroy & corduroy printing collection.

In addition, to strengthening its presence in domestic market, the Company has strategised to focus on new markets such as UAE, Kiro, Bangladesh and Sri Lanka for its retail business. This would help in growing business volumes on the one hand and de-risk the business from an overdependence on institutional sales.

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The additional capacity added 100% Cotton Carded yarn, Fine Counts, P/C and CVC blends yarns to the Company's existing product basket.

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### The spinning business

Sintex has set up a 6 lakh spindle spinning unit at Pipavav, Gujarat, six kilometres from the port, that promises to generate 120 million kgs of specialised yarn annually – adding a value-accretive revenue vertical to its existing textile business.

The unit houses cutting-edge technology sourced from global leaders in the textile machinery space. The new facility operates on the 'No Touch' policy beginning right from blowroom to packing, which means the cotton/yarn does not experience any human intervention until it is packed.

This is due to the completely automated technology adopted by Sintex resulting in higher productivity, reduced imperfections in yarn quality and superior strength in the yarn. It also allows the Company to produce contamination-free yarn which enjoys sizeable demand in the global markets. The Company has also invested in a sophisticated contamination sorter which allows it to customize yarn quality as per customer specification.

The product basket includes 100% cotton yarn (20s ne to 140s ne) compact weaving and knitting yarns in combed varieties to cater to leading weavers and knitters in India and across the globe.

Despite India being their largest market, Sintex Yarns enjoys a prominent international presence, especially in countries like Bangladesh, China, Taiwan, Vietnam, South Korea, Japan, Pakistan, UAE, Turkey, and Egypt. Other important markets include Europe, South as well as North America. The Company has cemented the Sintex brand in Bangladesh (an important global market for quality yarns) as a reliable supplier of quality yarns.

### Performance in 2017-18

Even as the team continued to maximise utilisation of the 300,000 spindles installed in Phase I (commissioned in 2016-17), the team commenced operation of the Phase II – increase the units operating spindle count to more than 600,000 spindles.

The additional capacity added 100% Cotton Carded yarn, Fine Counts, P/C and CVC blends yarns to the Company's existing product basket. This has helped in increasing its market reach in various new markets.

For marketing, the additional volumes the team strengthened its presence in existing geographies and established its presence in new global markets – the Company enjoys a marketing footprint in 30 markets globally servicing around 600+ international customers – consuming around 60% of its total production.

The increased capacity, addition of value-added yarn variants namely Slub, CSY, TFO, Gassed and the strengthening dollar helped the Company post healthy growth volumes and revenue.

## Human resources

Sintex firmly believes that its intellectual capital plays a defining role in transforming business strategies into on-ground realities and is the critical catalyst towards sustaining profitable business growth. In line with this conviction, the management continues to invest in its people capital to nurture skill and build capabilities, which in turn results in sustaining its industry outperformance.

The Company's textiles business (fabric and yarn) is managed by a team comprising 7800+ members who are expert in their area of operations – the Kalol unit is operated by a team strength of 1600 skilled members while the hi-tech, fully automated yarn unit is managed by 6200 member dedicated team.

The Company conducts regular training for knowledge enhancement and skill development of its shop floor team at "Manav Vikas Kendra" resident within the mill premises. For this, it has hired global area specialists from Gherzi (Switzerland) and supported by a technical in-house team comprising 30 trainers, for facilitating effective skill development. In addition to technical know-how, trainees are also imparted knowledge on behavioural aspects to for personality development.

In addition, a centralised training center - Sintex Gurukul - has been established in Ahmedabad for the Sintex Group is where regular training workshops and programmes are conducted for the entire staff.

Sintex conducts various cultural programmes during the festive season for the employees and their families'. In addition, the Company organises various games and spiritual lectures for the participation of the team – nurturing a strong bond beyond the work place.

Sintex believes that empowering women fosters stability and prosperity in their family and the local area. In keeping with this belief, the Company has recruited a number of female members for managing the operations at its yarn.

The Company is also investing in a residential colony for its workforce with contemporary amenities namely a shopping center, sports field, amphitheater, small cinema hall and a large mess.

## Internal control

The Company has in place adequate systems of internal controls and documented procedures covering all financial and operating

functions. These have been designed to provide reasonable assurance with regard to maintaining proper accounting control, monitoring operational efficiency, protecting assets from unauthorised use or losses and ensuring reliability of financial and operational information. The internal controls are designed to ensure that financial and other records are reliable for preparing financial statements, collating other data and for maintaining accountability of assets.

## Risk management

The Company's risk management framework encompasses strategy and operations and seeks to proactively identify, address and mitigate existing and emerging risks. The risk management framework goes far beyond traditional boundaries and seeks to involve all key managers of the Company.

The Company has a robust risk management framework to identify and mitigate risks arising out of internal as well as external factors. There is a formal monitoring process at unit and company level, wherein new risks are identified, categorised as per impact and probability, mapped to key responsibilities of select managers and managed with appropriate mitigation plan. To ensure transparency and critical assessment, the Company's Risk Management Team coordinates the risk management system and ensures that it continues to remain relevant with evolving economic and sectoral changes. The risk management framework is reviewed annually by the Audit Committee on behalf of the Board.

## Cautionary Statement

Statements in this document that are not historical facts are 'forward-looking' statements. These 'forward-looking' statements may include the Company's objectives, strategies, intentions, projections, expectations, and assumptions regarding the business and the markets in which the company operates. The statements are based on information which is currently available to us, and the Company assumes no obligation to update these statements as circumstances change. There may be a material difference between actual results and those expressed herein. The risks, uncertainties and important factors that could influence the Company's operations and business are the global and domestic economic conditions, the market demand and supply, price fluctuations, currency and market fluctuations, changes in the Government's regulations, statutes and tax regimes, and other factors not specifically mentioned herein but those that are common to the industry.

# Report on Corporate Governance

## Company's philosophy on Corporate Governance:

Corporate Governance at Sintex Industries Limited has been a continuous journey and the business goals of the Company are aimed at the overall well-being and welfare of all the constituents of the system. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the Organization and putting in place appropriate systems, process and technology.

A Report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Regulations") is given below:

## I. BOARD OF DIRECTORS:

### • Composition:

The Board comprises of 10 Directors drawn from diverse fields/professions. The Chairman of the Board is Promoter, Non-Executive Director. The Company has 8 Non-Executive Directors, out of which 5 are Independent Directors. There are two directors in whole time employment, being the Managing Directors of the Company.

The composition of the Board is in conformity with Regulation 17 of the SEBI Regulations and Section 149 of the Companies Act, 2013 (hereinafter referred to as "the Act"). All the Directors other than Independent Directors are liable to retire by rotation.

The total number of Directorships held by the Directors and the position of Membership / Chairmanship on Committees are given below. All the Directors are compliant with the provisions of the Act and SEBI Regulations in this regard.

### Directorships and Membership on Committees:

Sr. No	Name of the Director	Category <sup>(1)</sup>	Board Meetings during the FY 2017-18		Attendance at the last AGM	No. of Directorships in other Public Companies	No. of committee position held in other Public Companies <sup>(2)</sup>	
			Held during the tenure	Attended	AGM held on 14.09.2017		Chairman	Member
1.	Dinesh B. Patel, Chairman	Promoter & N.E.D.	4	3	Yes	2	-	1
2.	Arun P. Patel, Vice Chairman	Promoter & N.E.D.	4	4	Yes	2	-	1
3.	Ramnikbhai H. Ambani <sup>(4)</sup>	I & N.E.D.	3	3	No	-	-	-
4.	Ashwin Lalbhai Shah <sup>(5)</sup>	I & N.E.D.	2	2	Yes	-	-	-
5.	Indira J. Parikh <sup>(5)</sup>	I & N.E.D.	2	0	No	-	-	-
6.	Dr. Rajesh B. Parikh	I & N.E.D.	4	4	Yes	1	-	1
7.	Dr. Lavkumar Kantilal	I & N.E.D.	4	3	Yes	-	-	-
8.	Dr. Narendra Kumar Bansal	I & N.E.D.	4	4	No	-	-	-
9.	Rahul A. Patel, Managing Director (Group)	Promoter & E.D.	4	3	Yes	4	-	1
10.	Amit D. Patel, Managing Director (Group)	Promoter & E.D.	4	4	Yes	5	2	3
11.	S. B. Dangayach, Managing Director <sup>(3)</sup>	E.D.	1	1	-	-	-	-
12.	Maitri Mehta <sup>(8)</sup>	I & N.E.D.	2	2	-	2	-	-
13.	Sunil Kumar Kanojia <sup>(9)</sup>	N.E.D.	2	2	-	2	-	-
14.	Vimal R. Ambani <sup>(6)</sup>	I & N.E.D.	1	1	-	3	-	-
15.	Gagan Deep Singh <sup>(7)</sup>	N.E.D.	-	-	-	-	-	-

**Notes:**

- (1) Category:  
I & N.E.D. – Independent and Non-Executive Director  
N.E.D. – Non-Executive Director  
E.D. – Executive Director
- (2) Includes only Audit Committee and Stakeholders’ Relationship Committee of public limited companies.
- (3) S. B. Dangayach had resigned as Managing Director and Director on the Board w.e.f. 6th June, 2017. One meeting was held during his tenure.
- (4) Ramnikbhai H. Ambani ceased to be Director w.e.f 1st January, 2018. Three meetings were held during his tenure.
- (5) Ashwin Lalbhai Shah and Indira J. Parikh ceased to be Directors w.e.f 14th September, 2017. Two meetings were held during their tenure.
- (6) Vimal R. Ambani appointed as an Additional Independent Director w.e.f. 12th January, 2018.
- (7) Gagan Deep Singh appointed as Non- Executive Director w.e.f. 8th May, 2018.
- (8) Maitri Mehta appointed as an Additional Independent Director w.e.f. 30th October, 2017.
- (9) Sunil Kumar Kanojia appointed as an Additional Non-Executive Director w.e.f. 30th October, 2017. He met the criteria stipulated for Independent Directors and has been re-designated as Independent Director w.e.f. 8th May, 2018.
- (10) Dinesh B. Patel and Amit D. Patel are related to each other. Arun P. Patel and Rahul A. Patel are also related to each other.

• **Responsibilities :**

The Board of Directors represents the interest of the company’s shareholders, in optimising long-term value by providing the management with guidance and strategic direction on the shareholders’ behalf. The Board has a formal schedule of matters reserved for its consideration and decision, which includes reviewing corporate performance, ensuring adequate availability of financial resources, regulatory compliance, safeguard interest of shareholders and reporting to shareholders.

• **Board Meetings:**

Four Board Meetings were held during the year under review and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held during the Financial Year and attendance on the same are as follows:

Sr. No.	Date	Board Strength	No. of Directors present
1	19th May, 2017	11	9
2	31st July, 2017	10	8
3	30th October, 2017	10	9
4	12th January, 2018	10	10

• **Familiarisation Programme:**

The objective of a familiarisation programme is to ensure that the non-executive directors are updated on the business environment and overall operations of the Company. This enables the non-executive directors to make better informed decisions in the interest of the Company and its stakeholders.

In compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model, etc.

A familiarisation programme was conducted for non-executive directors on areas as such as the core functions of the Company, overview of the industry, financials and the performance of the Company. The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link:[http://www.sintex.in/wp-content/uploads/2016/07/SIL\\_familiarisation\\_programme\\_for\\_independent\\_directors.pdf](http://www.sintex.in/wp-content/uploads/2016/07/SIL_familiarisation_programme_for_independent_directors.pdf)

**II. AUDIT COMMITTEE:**

The Audit Committee is constituted in accordance with the provisions of Regulation 18 of the SEBI Regulations and Section 177 of the Act. The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The committee reviews the reports of the internal auditors and statutory auditors along with the comments and corrective action taken by the management. The Audit Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the committee. The Committee’s purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

## Composition

The Committee's composition meets the regulatory requirements mandated by the Act and SEBI Regulations. The Chairman of the Audit Committee is a Non-executive and Independent Director. The present composition of the Audit Committee and particulars of meetings attended by them are given below:

Name of Audit Committee member	Chairman/Member	Category	No. of Meetings during FY 2017-18	
			Held during the tenure	Attended
Ashwin Lalbhai Shah <sup>(2)</sup>	Chairman (up to 31.07.2017)	I & N.E.D.	2	2
Dr. Rajesh B. Parikh	Member	I & N.E.D.	4	4
Amit D. Patel	Member	Promoter & E.D.	4	4
Indira J. Parikh <sup>(2)</sup>	Member (up to 31.07.2017)	I & N.E.D.	2	0
Dr. Narendra Kumar Bansal <sup>(3)</sup>	Chairman (w.e.f. 31.07.2017)	I & N.E.D.	2	2
Maitri Mehta <sup>(1)</sup>	Member	I & N.E.D.	1	1

### Notes:

- (1) Maitri Mehta appointed as member of Committee w.e.f. 30th October, 2017.
- (2) Ashwin Lalbhai Shah and Indira J. Parikh ceased to be Chairman and Member of the Committee respectively w.e.f. 31st July, 2017. Two meetings were held during their tenure.
- (3) The Board of Directors at its meeting held on 31st July, 2017 appointed Dr. Narendra Kumar Bansal as Chairman of the Committee.

During the Financial Year 2017-18, 4 Meetings were held on 19th May, 2017, 31st July, 2017, 30th October, 2017 and 12th January, 2018.

The Head – Accounts & Audit and CFO, Internal Auditor and Statutory Auditor are permanent invitees to the Meetings.

The Company Secretary acts as the Secretary to the Committee.

### Terms of Reference:

The terms of reference of the Audit Committee are broadly as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by the management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the Auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;

9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.

#### Review of Information by Audit Committee:

1. The Management discussion and analysis of financial condition and results of operations.
2. Statement of significant related party transactions submitted by management.
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
4. Internal audit reports relating to internal control weaknesses and
5. The appointment, removal and terms of remuneration of the Chief internal auditor.
6. Statement of deviations

### III. NOMINATION AND REMUNERATION COMMITTEE:

The constitution and terms of reference of Nomination and Remuneration Committee of the Company are explained herein.

#### (i) Composition:

During the financial year 2017-18, meetings of the Nomination and Remuneration Committee were held on 19th May, 2017 and 12th January, 2018. The Committee considers and approves salaries and other terms of the compensation package for the Managing Directors. The Remuneration of the Managing Directors is recommended by the Committee, approved by the Board and is within the limits set by the members at the Annual General Meeting. The composition of the Committee and the details of meeting attended by the members of the Committee are given below:

Name of Nomination and Remuneration Committee member	Chairman/ Member	Category	Held during the tenure	No. of meetings attended
Ashwin Lalbhai Shah <sup>(1)</sup>	Chairman (up to 31.07.2017)	I & N.E.D.	1	1
Ramnikbhai H. Ambani <sup>(3)</sup>	Member (ceased w.e.f. 30.10.2017)	I & N.E.D.	1	1
Indira J. Parikh <sup>(1)</sup>	Member (up to 31.07.2017)	I & N.E.D.	1	Nil
Dr. Narendra Kumar Bansal <sup>(2)</sup>	Chairman (w.e.f. 31.07.2017)	I & N.E.D.	1	1
Dr. Rajesh Parikh <sup>(4)</sup>	Member	I & N.E.D.	1	1
Vimal R. Ambani <sup>(5)</sup>	Member	I & N.E.D.	NA	NA



**Notes:**

- (1) Ashwin Lalbhai Shah and Indira J. Parikh ceased to be Chairman and Member of the Committee respectively w.e.f. 31st July, 2017. One meeting was held during their tenure.
- (2) The Board of Directors at its meeting held on 31st July, 2017 appointed Dr. Narendra Kumar Bansal as Chairman of the Committee.
- (3) Ramnikbhai H. Ambani ceased to be Member of the Committee w.e.f. 30th October, 2017.
- (4) Dr. Rajesh Parikh appointed as member of the Committee w.e.f. 31st July, 2017.
- (5) Vimal R. Ambani appointed as member of the Committee w.e.f. 12th January, 2018

**(ii) Term of Reference:**

The broad terms of reference of Nomination and Remuneration Committee are as under:

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- (b) Formulation of criteria for evaluation of Independent Directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- (e) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

- (f) To perform such other functions as may be necessary or appropriate for the performance of its duties.

**(iii) The Company Secretary acts as the Secretary to the Committee.****PERFORMANCE EVALUATION CRITERIA FOR DIRECTORS**

The Nomination and Remuneration Committee had laid down the criteria for performance evaluation of Executive and Non-Executive Director of the Company. The Criteria was set based on Profiles, experience, contribution dedication, regularity, aptitude, preparedness & participation, team work and contribution of each Director to the growth of the Company.

**Remuneration Policy**

- **Remuneration to Non-Executive Directors:**

The Non-Executive Directors of the Company are being paid an amount of sitting fees as follows:

- |  |                           |
|--|---------------------------|
| 1. Board Meeting :   | ₹ 84,500/-<br>per meeting |
| 2. Audit Committee Meeting :   | ₹ 40,000/-<br>per meeting |
| 3. Nomination and Remuneration Committee and Stakeholders Relationship Committee Meetings: | ₹ 15,000/-<br>per meeting |

Executives Directors are not being paid sitting fees for attending meetings of the Board of Directors/Committees. Other than sitting fees, there were no material pecuniary relationships or transactions by the Company with the Non-Executive and Independent Directors of the Company.

The details of sitting fees paid to the Non-Executive Directors and their shareholding details for the financial year 2017-18 are as follows:

Name	Sitting Fees paid during FY 2017-18 (In ₹)		Total (In ₹)	No. of Shares held as on 31st March, 2018
	Board Meeting	Committee Meeting		
Dinesh B Patel	2,54,000	-	2,54,000	290536
Arun P Patel	3,38,500	-	3,38,500	327710
Ramnikbhai H. Ambani	2,54,000	15,000	2,69,000	Nil
Ashwin Lalbhai Shah	1,69,500	1,25,000	2,94,500	Nil
Dr. N. K. Bansal	3,38,500	1,25,000	4,63,500	Nil
Dr. Rajesh B. Parikh	3,38,500	1,75,000	5,13,500	100
Dr. Lavkumar Kantilal Shah	2,53,500	-	2,53,500	Nil
Maitri Mehta	1,69,000	40,000	2,09,000	Nil
Sunil Kumar Kanojia	1,69,000	-	1,69,000	Nil
Vimal R. Ambani	84,500	-	84,500	4700

- **Remuneration to Executive Directors:**

The Company pays remuneration to its Executive Directors by way of salary, perquisites and allowances (a fixed component) and commission (a variable component) in accordance with provision of the Schedule V read with other provisions of the Act, as approved by the Members.

The Board on the recommendation of the Nomination and Remuneration Committee approves the annual increments. The Board fixes a ceiling on perquisites and allowances as a percentage of salary. Within the prescribed ceiling, the perquisite package is recommended by the Nomination and Remuneration Committee. Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to the overall ceiling as stipulated in Section 197 of the Act.

Details of the Remuneration paid to Managing Directors for the year ended on 31st March, 2018 are as follows:

(Amount in ₹)

Name of the Director	Designation	Salary	Perquisites	Commission	Total
Rahul A. Patel	Managing Director (Group)	1,08,00,000	1,04,40,766	3,00,00,000	5,12,40,766
Amit D. Patel	Managing Director (Group)	1,08,00,000	1,12,99,421	3,00,00,000	5,20,99,421
S. B. Dangayach	Managing Director	9,86,538	8,85,666	-	18,72,204
		<b>2,25,86,538</b>	<b>2,26,25,853</b>	<b>6,00,00,000</b>	<b>10,52,12,391</b>

#### Performance Evaluation

Pursuant to the provisions of the Act and SEBI Regulations, the Board has carried out the annual performance evaluation of its own performance evaluation of its performance, the Directors individually as well as the evaluation of the working of its Board Committees.

The performance evaluation of the Chairman and Managing Director and the Non-Independent Directors was carried out by the Independent Directors. An indicative list of factors that may be evaluated include participation and contribution by a director, Commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement. The Directors expressed their satisfaction with the evaluation process.

The policy containing salient features for Remuneration, as approved by the Board may be accessed on the Company's website at the link: <http://www.sintex.in/investors/>.

#### (iv) Service contract, severance fees and notice period

The appointment of the Managing Directors are governed by the Articles of Association of the Company and the Resolution passed by the Board of Directors and the Shareholders of the Company.

No separate Service Contract is entered into by the Company with the Managing Directors.

There is no separate provision for payment of severance fee under the resolutions governing the appointment of the Managing Directors.

Perquisites include house rent allowance; leave travel allowance, gas & electricity, medical and premium for personal accident insurance, contribution to provident fund, superannuation fund and gratuity.

The appointment of the Managing Directors is for a period of 5 years.

#### IV. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The constitution and terms of reference of Stakeholders' Relationship Committee of the Company are explained herein.

##### Terms of Reference:

- Oversee and review all matters connected with the transfer of the Company's securities.
- Monitor redressal of investors' / shareholders' / security holders' grievances.
- Oversee the performance of the Company's Registrar and Transfer Agents.
- Recommend methods to upgrade the standard of services to investors.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

During the year 2017-18, four meetings of "Stakeholders' Relationship Committee" were held on 19th May, 2017, 31st July, 2017, 30th October, 2017 and 12th January, 2018. The Composition of "Stakeholders' Relationship Committee" and the details of the meetings attended by its members are as follows:

Name of Stakeholders' Relationship Committee member	Chairman/Member	Category	Held during the tenure	No. of meetings attended
Ashwin Lalbhai Shah <sup>(1)</sup>	Chairman (up to 31.07.2017)	I & N.E.D.	2	2
Dr. Narendra Kumar Bansal <sup>(2)</sup>	Chairman (w.e.f. 31.07.2017)	I & N.E.D.	2	2
Rahul A. Patel	Member	Promoter & E.D.	4	3
Amit D. Patel	Member	Promoter & E.D.	4	4

**Notes:**

- (1) Ashwin Lalbhai Shah ceased to be Chairman of the Committee w.e.f 31st July, 2017. Two meetings were held during his tenure.
- (2) The Board of Directors at its meeting held on 31st July, 2017 appointed Dr. Narendra Kumar Bansal as Chairman of the Committee.

(i) Details of Share Holders' Complaints received and redressed during the year 2017-18:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
1	30	31	0

(ii) Investors' Grievance Redressal Cell:

The Company has designated Mr. Hitesh T. Mehta, Company Secretary as the compliance officer of the investors' grievance redressal cell. For the purpose of registering complaints by investors, the Company has designated an e-mail ID - share@sintex.co.in

## V. SHARE AND DEBENTURE TRANSFER COMMITTEE:

The Board of Directors has delegated the power of approving transfer/transmission of shares/dematerialization / rematerialisation of shares and debentures/issue of duplicate certificates and other related formalities to the Share and Debenture Transfer Committee comprising of Mr. Dinesh B. Patel, Chairman and Mr. Arun P. Patel, as member of the Committee. Mr. Hitesh T. Mehta, Company Secretary acts as the Secretary of the Committee.

36 Meetings of the said Committee were held during the Financial Year 2017-18.

## VI. GENERAL BODY MEETINGS:

F.Y.	Meeting and Venue	Day, Date and Time	Special Resolutions passed
2014-15	<b>84th Annual General Meeting</b> At Registered office: Kalol (N.G.) 382721	Monday 31st August, 2015 10.30 a.m.	<ul style="list-style-type: none"> <li>i. Approving Borrowing Limits of the Company upto ₹ 8000 Crores under Section 180(1)(c) of the Companies Act, 2013</li> <li>ii. Approving for creation of charge on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013</li> <li>iii. Approving of offer or invitation to subscribe to Non-Convertible Securities on private placement basis.</li> <li>iv. Approving of issuance of Equity Shares, including convertible securities.</li> </ul>

F.Y.	Meeting and Venue	Day, Date and Time	Special Resolutions passed
2015-16	<b>85th Annual General Meeting</b> At Registered office: Kalol (N.G.) 382721	Monday 26th September, 2016 10.30 a.m.	<ul style="list-style-type: none"> <li>i. Approving Borrowing Limits of the Company upto ₹ 9000 Crores under Section 180(1)(c) of the Companies Act, 2013</li> <li>ii. Approving for creation of charge on the assets of the Company under Section 180(1)(a) of the Companies Act, 2013</li> <li>iii. Approving of offer or invitation to subscribe to Non-Convertible Securities on private placement basis.</li> <li>iv. Approval for availing of the Financial Assistance having an option available to the Lenders for conversion of such Financial Assistance into Equity Shares of the Company upon occurrence of certain events.</li> <li>v. Considering and deciding place of maintaining and keeping Register of Members &amp; others at place other than the Registered Office of the Company</li> </ul>
2016-17	<b>86th Annual General Meeting</b> At Registered office: Kalol (N.G.) 382721	Thursday 14th September, 2017 10.30 a.m.	<ul style="list-style-type: none"> <li>i. Adoption of new set of Articles of Association of the Company.</li> <li>ii. Re-appointment of Mr. Ramnikbhai H. Ambani as an Independent Director of the Company</li> <li>iii. Re-appointment of Dr. Rajesh B. Parikh as an Independent Director of the Company</li> <li>iv. Re-appointment of Dr. Lavkumar Kantilal Shah as an Independent Director of the Company</li> <li>v. Re-appointment of Dr. Narendra K. Bansal as an Independent Director of the Company</li> <li>vi. Re-appointment of Mrs. Indira J. Parikh as an Independent Director of the Company (not approved by Members)</li> </ul>

No resolution was passed through Postal Ballot during the Financial Year 2017-18.

**Whether any resolutions are proposed to be conducted through postal ballot:**

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

**VII. SUBSIDIARY COMPANIES:**

BVM Overseas Limited is the only material unlisted Indian subsidiary company.

The financial statements, in particular the investments made by the unlisted subsidiary company are reviewed quarterly by the Audit Committee of the Company, the minutes of the meetings of subsidiary company are placed before the Company's Board regularly.

The Board of Directors also reviews statement containing all significant transactions and arrangements entered into by the subsidiary company.

The policy for determining Material Subsidiary as approved by the Board may be accessed on the Company's website at the link: [http://www.sintex.in/wp-content/uploads/2016/07/material\\_subsidary\\_policy.pdf](http://www.sintex.in/wp-content/uploads/2016/07/material_subsidary_policy.pdf)

**VIII. OTHER DISCLOSURES:**

**(i) Disclosure on materially significant related party transactions:**

No transactions of material nature have been entered into by your Company with any related parties as per Accounting Standard that may have any potential conflict with the interests of your Company. The related party transactions have been disclosed under Note No. 39 forming part of the financial statements.

The Audit Committee reviewed the related party transactions undertaken by the Company in the ordinary course of business.

**(ii) Details of non-compliance by the Company:**

There were no instances of non-compliance by the Company on any matters related to various capital markets or penalties imposed on the Company by the Stock Exchange or SEBI or any statutory authority during the last 3 financial years.

**(iii) Code of Conduct:**

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management Personnel of the Company, which is also posted on the website of the Company.

Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

**(iv) CEO and CFO Certification:**

The Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the SEBI Regulations. The Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33 of the SEBI Regulations.

**(v) Code of Conduct for Prevention of Insider Trading:**

Code of Conduct for Prevention of Insider Trading, as approved by the Board of Directors, inter alia, prohibits purchase / sale of securities of the Company by Directors and employees, while in possession of unpublished price sensitive information in relation to the Company.

**(vi) Compliance with the Mandatory Requirements of the SEBI Regulations:**

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under the SEBI Regulations and has also updated its website under Regulation 46(2) of the SEBI Regulations. It has obtained a certificate affirming the compliances from Messrs M. C. Gupta & Co., a firm of company secretaries in practice, the Company's Secretarial Auditors and the same is attached to this Report.

**(vii) Whistle Blower Policy:**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism in line with the requirements under the Act and the SEBI Regulations:

- For employees to report concerns about unethical behavior;
- To establish a mechanism to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of the Integrity Policy; and
- To ensure that adequate safeguards shall be provided to the whistle blowers against any victimization or vindictive practices like retaliation, threat or any adverse (direct or indirect) action on their employment and direct access to the Chairperson of the Audit Committee in exceptional cases. The Policy also ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

No personnel/ person has been denied access to the Audit Committee. During the year under review, there were no cases pertaining to Whistle Blower Policy.

**(viii)** Policy on materiality of and dealing with Related Party Transactions approved by the Board of Directors is uploaded on the Company's website at the link : [http://www.sintex.in/wp-content/uploads/2016/07/Related\\_party\\_transaction\\_policy.pdf](http://www.sintex.in/wp-content/uploads/2016/07/Related_party_transaction_policy.pdf)

**(ix)** Pursuant to regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board approved a Dividend Distribution Policy at its meeting held on July 28, 2016. The policy details various considerations based on which the Board may recommend or declare Dividend, current dividend track record, usage of retained earnings for corporate actions, etc. The policy is available on the Company's website at [http://sintex.in/wp-content/uploads/2016/11/Dividend\\_Distribution\\_Policy.pdf](http://sintex.in/wp-content/uploads/2016/11/Dividend_Distribution_Policy.pdf)

**(x)** The Company has not engaged in any activity involving commodity price risks or foreign exchange risk and hedging.

**(xi) Others:**

The Company has a comprehensive and integrated risk management framework to effectively deal with uncertainty and associated risks and enhances the organisation's capacity to build value. The Risk Management framework of the Company has been designed with an objective to develop a risk culture that encourages identifying risks and responding to them with appropriate actions.

**IX. MEANS OF COMMUNICATION:**

- (i) **Financial Results:** The annual, half yearly and quarterly results are published in Financial Express (Gujarati) (Ahmedabad Edition) and Financial Express (English) (All Editions).
- (ii) All quarterly results are also posted on our website- [www.sintex.in](http://www.sintex.in)
- (iii) The company's website [www.sintex.in](http://www.sintex.in) contains a separate dedicated Section on Investors' Relation, where shareholder information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.
- (iv) The management discussion and analysis report is attached with the Directors' Report in this Annual Report.
- (v) Press Releases made by the Company from time to time are also displayed on the Company's website- [www.sintex.in](http://www.sintex.in) .
- (vi) Corporate presentations made to institutional investors or to analysts are posted on the Company's website- [www.sintex.in](http://www.sintex.in).

## X. GENERAL SHAREHOLDER INFORMATION:

### 1. 87th Annual General Meeting

Day, date and time	Monday, 17th September, 2018 11:30 A.M.
Venue	Sintex Industries Limited Registered Office: Kalol – 382 721 (N.G.), Dist. Gandhinagar, Gujarat, India
Book closure dates	8th September, 2018 to 17th September, 2018
Dividend payment date	On or after 21st September, 2018

### 2. Financial Calendar

The Company follows the period of 1st April to 31st March, as the Financial Year. For the Financial year 2018-19, Financial Results will be announced as per the following tentative schedule:

1st quarter ending on 30th June, 2018	2nd week of July, 2018
2nd quarter ending on 30th September, 2018	2nd week of October, 2018
3rd quarter ending on 31st December, 2018	2nd week of January, 2019
Year ending on 31st March, 2019	1st week of May, 2019

#### Listing on Stock Exchanges (As on 31st March, 2018):

Stock Exchanges /Type of Instruments/ Stock Code	Address	Telephone No.
BSE Limited (BSE) Equity Shares *Equity – 502742	25th Floor, P.J. Towers, Dalal Street, Mumbai – 400 001	022 – 22721233/34
National Stock Exchange of India Ltd. (NSE) Equity Shares * Equity – Sintex EQ	Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	022 – 26598235/36 022 - 26598346
Singapore Exchange Securities Trading Limited Foreign Currency Convertible Bonds ("FCCB") ISIN: XS1414094927 Stock Code: SINTEX IND, US\$110M7%CB220525	2 Shenton Way # 19 – 00 SGX Center 1 Singapore 068804	00 65-6236 8888
BSE Limited Secured Redeemable Non-Convertible Debentures ("NCD's") 952870 - ₹ 250.00 Cr. 950353 - ₹ 112.50 Cr. 951037 - ₹ 137.50 Cr.	25th Floor, P.J. Towers, Dalal Street, Mumbai – 400 001	022 – 22721233/34

\*Stock code

#### International Securities Identification Number (ISIN)

ISIN is an identification number for traded shares. This number needs to be quoted in each transaction relating to the dematerialized equity shares of the Company. Your Company's ISIN number for its equity shares is INE429C01035.

#### Payment of Listing Fees and Depository Fees

Annual listing fee for the year 2018-19 has been paid by the Company to BSE and NSE. Annual Custody/Issuer fee for the year 2018-19 has been paid by the Company to NSDL and CDSL.

### 3. Location of the depositories

Depository	Address	Telephone No.
National Securities Depository Ltd. (NSDL)	Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013	022 – 24994200
Central Depository Services (India) Limited (CDSL)	Marathon Futurex, A-Wing, 25th floor, NM Joshi Marg, Lower Parel, Mumbai 400013	022 - 2302 3333

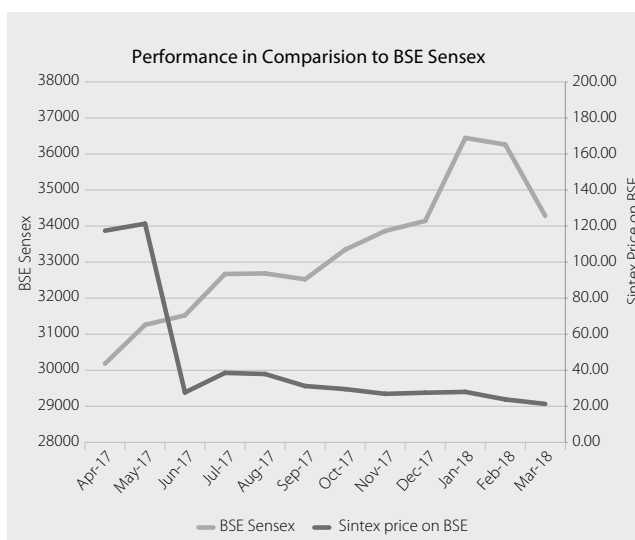
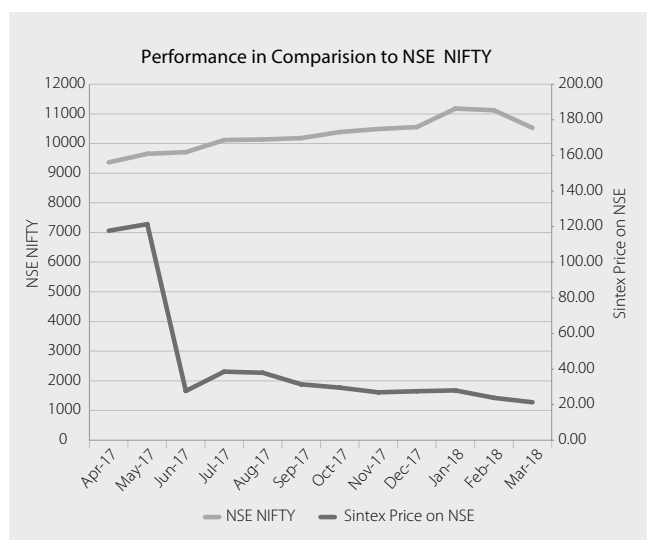
### 4. Market Price Data

The share price data of the Company from 1st April, 2017 to 31st March, 2018 as compared to BSE Sensex and CNX Nifty are as follows:

Month	BSE Limited				National Stock Exchange of India Ltd.			
	Share Price		SENSEX		Share Price		CNX Nifty	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
April, 2017	117.40	105.90	30184.22	29241.48	117.60	105.85	9367.15	9075.15
May, 2017	121.30	17.75*	31255.28	29804.12	121.40	16.15*	9649.60	9269.90
June, 2017	27.60	22.75	31522.87	30680.66	27.60	22.70	9709.30	9448.75
July, 2017	38.55	24.10	32672.66	31017.11	38.55	24.10	10114.85	9543.55
August, 2017	37.85	24.90	32686.48	31128.02	37.85	24.90	10137.85	9685.55
September, 2017	31.20	26.50	32524.11	31081.83	31.30	26.40	10178.95	9687.55
October, 2017	29.55	21.80	33340.17	31440.48	29.55	21.80	10384.50	9831.05
November, 2017	26.95	23.80	33865.95	32683.59	26.95	23.80	10490.45	10094.00
December, 2017	27.50	20.80	34137.97	32565.16	27.50	20.80	10552.40	10033.35
January, 2018	28.00	23.00	36443.98	33703.37	28.00	23.00	11171.55	10404.65
February, 2018	23.80	20.50	36256.83	33482.81	23.80	20.50	11117.35	10276.30
March, 2018	21.35	17.65	34278.63	32483.84	21.35	17.65	10525.50	9951.90

\* Adjusted price due to Composite Scheme of Arrangement

### 5. Performance in comparison to broad based indices such as BSE Sensex, CRISIL index, etc.



## 6. Distribution of Shareholding as on March 31, 2018:

No. of Shares held (Face Value of ₹ 1/- each)	Shareholders		Shares	
	Number	% of total	Number	% of total
Up to 5000	311396	97.18	166303680	27.99
5001 – 10000	5149	1.61	38461511	6.47
10001 – 15000	1424	0.44	17867481	3.01
15001 – 20000	756	0.24	13768919	2.32
20001 – 25000	403	0.13	9265448	1.56
25001 – 50000	705	0.22	25020512	4.21
50001 & Above	586	0.18	323407537	54.44
<b>Total</b>	<b>320419*</b>	<b>100.00</b>	<b>594095088</b>	<b>100.00</b>

\* The shareholding of the promoter and promoter group, public shareholder and non-public non-promoter shareholder has been consolidated on the basis of the PAN as per SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2017/128 dated December 19, 2017. Accordingly, there is difference in no. of shareholders mentioned in Shareholding Pattern and Distribution of Shareholding as on 31.03.2018.

## 7. Categories of Shareholders as on March 31, 2018:

Category	No. of Shares held	% of Shares held	No. of Shareholders	% of Share Holders
Promoters Holding	169981127	28.61	24	0.01
Residential Individuals	286005604	48.14	308541	96.29
Financial Institutions/Banks	6971172	1.17	19	0.01
Mutual Funds	1692000	0.28	1	0.00
NRIs /Foreign Nationals	11702589	1.97	4238	1.32
FII/S/FPI/Foreign Company	60582671	10.20	62	0.02
Domestic Companies/ Bodies Corporate	36167543	6.09	1347	0.42
Trusts/Clearing Members/Others	20455896	3.44	6186	1.93
IEPF	536486	0.09	1	0.00
<b>TOTAL</b>	<b>594095088</b>	<b>100.00</b>	<b>320419</b>	<b>100.00</b>

## 8. Dematerialization of Shares:

The Equity Shares of Sintex Industries Ltd are compulsorily traded in dematerialized form. A total number of 59,16,17,029 Equity Shares of the Company constituting about 99.58% of the subscribed and paid-up share capital were in dematerialized form as on March 31, 2018. The Company's Equity Shares are frequently traded on BSE Limited (BSE) and National Stock Exchange of India Ltd (NSE).

2016) per share with a fixed rate of exchange on conversion of ₹ 67.4463 to USD 1. Outstanding FCCBs pending for conversion as on 31st March, 2018 is USD 13.50 Million. After conversion of aforesaid FCCBs, paid up capital of the Company will increase by 98,79,844 equity shares of ₹ 1/- each amounting to ₹ 98.80 Lacs.

## 9. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:

### (a) Issue of Foreign Currency Convertible Bonds (FCCBs):

The Company has raised USD 110 million step down foreign currency convertible bonds (FCCBs) due 2022. The bondholders are entitled to apply for equity shares at a price of ₹ 92.16 (reset pursuant to meeting of FCCB Committee of the Board of Directors on 14th September,

## 10. Registrar and Share Transfer Agent (RTA):

Share transfers, dividend payment and all other investor related matters are attended to and processed by our Registrar and Share Transfer Agent viz. M/s. Link Intime India Pvt Ltd.

### Link Intime India Private Limited

506 TO 508, Amarnath Business Centre – 1 (ABC-1),  
Beside Gala Business Centre, Nr. St. Xavier's College Corner,  
Off C G Road, Ellisbridge, Ahmedabad - 380006.

Tel: 079 - 2646 5179, 079-3000 2684/85,

E-mail: ahmedabad@linkintime.co.in



**11. Share Transfer System:**

Pursuant to Regulation 39(2) of SEBI Regulations, Share transfer requests received in physical form are registered and certificate delivered within 15 days from the date of receipt, subject to documents being valid and complete in all respect and Demat requests are normally confirmed within an average of 10 days from the date of receipt.

**12. Reconciliation of Share Capital Audit:**

A qualified practicing Company Secretary carried out reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report mentions that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL, as depositories.

**13. Plant Locations:**

The Company's plants are located at Kalol (N.G.) and Lunsapur (Gujarat).

**XI. ADDRESS FOR CORRESPONDENCE**

All Communications may be sent to Mr. Hitesh Mehta, Company Secretary at the following address:

**Sintex Industries Limited**

Kalol (N.G.) 382721, Gujarat, India

Phone: 02764-253100/ 222868

E-mail: share@sintex.co.in

**XII. NAME AND CONTACT DETAILS OF DEBENTURE TRUSTEES:**

Vistra ITCL (India) Limited  
(Formerly known as IL&FS Trust Company Limited)  
The IL&FS Financial Center  
Plot No. C-22, G Block, 7th Floor, Bandra Kurla Complex  
Bandra (East), Mumbai 400051  
Tel: +91 22 2659 3535  
Fax : +91 22 2653 3297  
Email: mumbai@vistra.com  
Website : <https://vistraitcl.com>

**Declaration:**

It is hereby declared that the Company has obtained affirmation from all the Members of the Board and Senior Management personnel that they have complied with the "Code of Conduct and Ethics for Board Members and Senior Management" for the year ended on 31st March 2018.

**Amit D. Patel**

*Managing Director (Group)*

(DIN: 00171035)

Place: Ahmedabad

Date: 17th July, 2018

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of  
**Sintex Industries Limited**

We have examined the compliance of the conditions of Corporate Governance by Sintex Industries Limited ("the Company"), for the year ended on 31st March 2018, as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause and applicable Regulations. It is neither an audit nor an expression of the 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) 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 M.C.GUPTA & CO.,**  
**Company Secretaries**  
UCN: S1986GJ003400  
**Mahesh C. Gupta**  
*Proprietor*  
FCS: 2047 (CP: 1028)

Place : Ahmedabad  
Date : 17th July, 2018

### CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) pursuant to Clause 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to certify to Board that-

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and We have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of

which We are aware and the steps We have taken or propose to take to rectify these deficiencies.

- D. We have indicated to the auditors and the Audit committee
  - (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Sintex Industries Limited**

**Amit D. Patel**  
*Managing Director (Group)*  
(DIN: 00171035)

Place : Ahmedabad  
Date : 8th May, 2018

**For Sintex Industries Limited**

**Prashant D. Shah**  
*Head – Accounts & Audit and CFO*

# STANDALONE FINANCIAL STATEMENTS

# Independent Auditors' Report

The Members of  
**SINTEX INDUSTRIES LIMITED**

## **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **SINTEX INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flow and the Statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

## **Management's Responsibility for the standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs of the Company as at 31st March, 2018, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanation given to us, we give in

the "Annexure A" a statement on the matters specified in Paragraphs 3 and 4 of the Order.

**2. 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 Cash Flow and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 control over financial reporting of the Company and

the operating effectiveness of such controls refer to our separate Report in "Annexure B".

- 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 as at 31st March, 2018 on its financial position in its standalone Ind AS financial statements.
  - ii) The Company did not have any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
  - iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For **Shah & Shah Associates**  
Chartered Accountants  
FRN:113742W

**Vasant C. Tanna**  
Partner

Membership Number: 100422

Place : Ahmedabad  
Date : 8th May, 2018

## "Annexure A" to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the standalone Ind AS financial statements of the Company for the year ended March 31, 2018):

1. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) According to the information and explanations given to us and the title deeds/lease deeds and other records examined by us, we report that the title deeds/lease deeds in respect of all the immovable properties of land which are freehold, immovable properties of land that have been taken on lease and disclosed as fixed assets in the financial statement and buildings are held in the name of the Company except in respect of freehold lands aggregating to ₹116.05 crores, for which documents in favor of the Company are not executed as at end of the year.
2. As explained to us, physical verification of the inventories except stocks lying with third parties, have been conducted at reasonable intervals by the management. For stocks lying with third parties at the year end, written confirmations have been obtained. No material discrepancies were noticed on the aforesaid verification.
3. 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. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, providing guarantees and securities, as applicable.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit nor has any unclaimed deposit within the meaning of the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed thereunder. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Sub-section (1) of Section 148 of the Act applicable in respect of activities undertaken by the Company and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the Information and explanations given to us, in respect of statutory dues:
  - a) According to the records of the Company, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.
  - b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess on account of any dispute, which have not been deposited.
8. Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of dues to the financial institution, banks and debenture holders.
9. In our opinion and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained other than temporary deployment pending application. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year under review.

10. Based upon the audit procedures performed and as per the information and explanations given to us, we report that, no fraud on or by the Company has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V to the Act.
12. In our opinion, Company is not a Nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
13. According to the information and explanations given to us, all the transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
14. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with them and covered under Section 192 of the Act. Hence, clause (xv) of paragraph 3 of the Order is not applicable to the Company.
16. To the best of our knowledge and as explained, the Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934.

For **Shah & Shah Associates**  
Chartered Accountants  
FRN:113742W

**Vasant C. Tanna**  
Partner

Place : Ahmedabad  
Date : 8th May, 2018

Membership Number: 100422

## “Annexure B” to the Independent Auditor’s Report

(Referred to in our report of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **SINTEX INDUSTRIES LIMITED** (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

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”. 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 Companies Act, 2013.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s

internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

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 over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting 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 control over financial reporting 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 authorizations 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 over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 **Shah & Shah Associates**  
Chartered Accountants  
FRN:113742W

**Vasant C. Tanna**  
Partner

Place : Ahmedabad  
Date : 8th May, 2018

Membership Number: 100422



## BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in crore)

Particulars	Note	As at 31st March, 2018	As at 31st March, 2017
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	5,875.86	3,761.09
(b) Capital work-in-progress		2,349.64	2,493.23
(c) Intangible assets	5	4.19	0.68
(d) Financial assets			
(i) Investments	7	21.29	16.19
(ii) Loans	8	8.84	5.47
(e) Other non-current assets	9	241.49	228.16
(f) Non-current tax assets (net)	10	38.15	-
<b>Total non-current assets</b>		<b>8,539.46</b>	<b>6,504.82</b>
<b>Current assets</b>			
(a) Inventories	11	513.24	205.06
(b) Financial assets			
(i) Investments	12	0.63	18.43
(ii) Trade receivables	13	550.24	478.09
(iii) Cash and cash equivalents	14	96.50	633.20
(iv) Bank balances other than (iii) above	15	107.05	70.91
(v) Loans	16	60.35	270.37
(c) Other current assets	17	552.07	257.37
<b>Total current assets</b>		<b>1,880.08</b>	<b>1,933.43</b>
<b>TOTAL ASSETS</b>		<b>10,419.54</b>	<b>8,438.25</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	18	59.41	54.47
(b) Other equity	19	4,337.17	3,851.98
<b>Total equity</b>		<b>4,396.58</b>	<b>3,906.45</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	4,233.63	3,637.64
(b) Provisions	21	12.96	13.18
(c) Deferred tax liabilities (Net)	22	77.93	85.51
<b>Total non-current liabilities</b>		<b>4,324.52</b>	<b>3,736.33</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	822.18	318.17
(ii) Trade payables	24	280.47	198.40
(iii) Other financial liabilities	25	588.01	254.34
(b) Other current liabilities	26	4.01	16.86
(c) Provisions	27	3.77	3.26
(d) Current tax liabilities (Net)	28	-	4.44
<b>Total current liabilities</b>		<b>1,698.44</b>	<b>795.47</b>
<b>Total liabilities</b>		<b>6,022.96</b>	<b>4,531.80</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,419.54</b>	<b>8,438.25</b>

See accompanying notes 1 to 52 to the standalone financial statements.

In terms of our Reports attached

For and on behalf of Board of Directors

For **Shah & Shah Associates**  
Chartered Accountants  
(FRN:113742W)

**Dinesh B. Patel, Chairman**  
(DIN : 00171089)

**Lavkumar Kantil Shah, Director**  
(DIN : 01572788)

**Vasant C. Tanna**  
Partner  
Membership Number: 100422

**Arun P. Patel, Vice Chairman**  
(DIN : 00830809)

**Maitri Mehta, Director**  
(DIN : 07549243)

**Amit D. Patel, Managing Director (Group)**  
(DIN : 00171035)

**Narendra Kumar Bansal, Director**  
(DIN : 03086069)

**Sunil Kumar Kanojia, Director**  
(DIN : 00490259)

**Rajesh B. Parikh, Director**  
(DIN : 00171231)

**Prashant D. Shah**  
Head – Accounts, Audit & CFO

**Hitesh T. Mehta**  
Company Secretary

Place: Ahmedabad  
Date : May 8, 2018

Place: Ahmedabad  
Date : May 8, 2018

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in crore)

Particulars	Note	For the year ended 31st March, 2018	For the year ended 31st March, 2017
<b>I Revenue from operations</b>	29	2,035.76	1,430.45
II Other Income	30	119.81	83.71
<b>III Total Income (I+II)</b>		<b>2,155.57</b>	<b>1,514.16</b>
<b>Expenses:</b>			
(a) Cost of materials consumed	31	1,327.48	916.35
(b) Changes in inventories of finished goods and work-in-progress	32	(55.50)	(25.11)
(c) Employee benefits expense	33	146.80	95.92
(d) Finance costs	34	106.79	89.75
(e) Depreciation and amortisation expense	6	142.16	132.22
(f) Other expenses	35	316.12	173.83
<b>IV Total expenses</b>		<b>1,983.85</b>	<b>1,382.96</b>
<b>V Profit before tax (III-IV)</b>		<b>171.72</b>	<b>131.20</b>
<b>VI Tax expense:</b>			
(a) Current tax expense		36.31	24.64
(b) Short/(Excess) provision of tax for earlier years		(32.24)	2.25
(c) Deferred tax charge/(credit)		31.67	(23.17)
		<b>35.74</b>	<b>3.72</b>
<b>VII Profit after tax for the year (V-VI)</b>		<b>135.98</b>	<b>127.48</b>
Other comprehensive income			
A (i) Items that will not be reclassified to Statement of Profit and Loss			
(a) Equity instruments through other comprehensive income		5.10	1.04
(b) Remeasurement of the defined benefit plans		0.12	0.08
(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss		(0.04)	(0.03)
B (i) Items that will be reclassified to Statement of Profit and Loss		-	-
(ii) Income tax relating to items that will be reclassified to Statement of Profit and Loss		-	-
<b>VIII Other comprehensive income for the year (A(i+ii)+B(i)+(ii))</b>		<b>5.18</b>	<b>1.09</b>
<b>IX Total Comprehensive income for the year (VII+VIII)</b>		<b>141.16</b>	<b>128.57</b>
<b>X Earnings per share (face value of ₹1/- each):</b>			
(a) Basic (in ₹)	44	2.37	2.62
(b) Diluted (in ₹)	44	2.37	2.62

See accompanying notes 1 to 52 to the standalone financial statements.

In terms of our Reports attached

For **Shah & Shah Associates**  
Chartered Accountants  
(FRN:113742W)

**Vasant C. Tanna**  
Partner  
Membership Number: 100422

For and on behalf of Board of Directors

**Dinesh B. Patel, Chairman**  
(DIN : 00171089)

**Arun P. Patel, Vice Chairman**  
(DIN : 00830809)

**Amit D. Patel, Managing Director (Group)**  
(DIN : 00171035)

**Sunil Kumar Kanojia, Director**  
(DIN : 00490259)

**Prashant D. Shah**  
Head – Accounts, Audit & CFO

**Lavkumar Kantilal Shah, Director**  
(DIN : 01572788)

**Maitri Mehta, Director**  
(DIN : 07549243)

**Narendra Kumar Bansal, Director**  
(DIN : 03086069)

**Rajesh B. Parikh, Director**  
(DIN : 00171231)

**Hitesh T. Mehta**  
Company Secretary

Place: Ahmedabad  
Date : May 8, 2018

Place: Ahmedabad  
Date : May 8, 2018

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in crore)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. Cash flow from operating activities</b>		
<b>Net profit before tax</b>	<b>171.72</b>	<b>131.20</b>
Adjustments for:		
Profit on sale of investments	(1.11)	(0.87)
Fair value (gain)/loss	(0.11)	(1.82)
Interest income	(22.63)	(30.64)
Depreciation and amortisation expenses	142.16	132.22
Finance cost	106.79	89.75
Loss/(gain) on sale/ impairment of property, plant and equipment	(6.00)	0.07
<b>Operating profit before working capital changes</b>	<b>390.82</b>	<b>319.91</b>
<b>Adjustments for increase/decrease in Operating Assets/ Liabilities:</b>		
Trade receivables, loans and other assets	(155.71)	142.41
Inventories	(308.18)	(140.77)
Trade payables, other liabilities and provisions	182.68	387.79
<b>Cash generated from operations</b>	<b>109.61</b>	<b>709.34</b>
Direct taxes paid (Net)	(46.66)	(88.96)
<b>Net cash generated from operations (A)</b>	<b>62.95</b>	<b>620.38</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment/addition to capital-work-in progress	(2,138.46)	(2,719.29)
Sale of fixed assets	14.27	0.87
(Purchase)/sale of current investments	19.02	0.89
(Purchase)/sale of non-current investments	-	(3.95)
Interest received	18.17	30.64
Bank deposits received/( placed )	(36.14)	(40.46)
<b>Net cash used in investing activities (B)</b>	<b>(2,123.14)</b>	<b>(2,731.30)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from share capital	0.00	688.04
Proceeds from long term borrowings	1,317.98	1,537.15
Repayments of long term borrowings	(187.08)	(60.06)
Net increase/(decrease) in working capital borrowings	504.01	234.26
Finance cost	(94.32)	(89.75)
Dividend paid	(17.10)	(37.62)
<b>Net cash generated from financing activities (C)</b>	<b>1,523.49</b>	<b>2,272.02</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(536.70)</b>	<b>161.10</b>
Cash and cash equivalents at the beginning of the year	633.20	490.04
Transfer due to demerger scheme	-	(17.94)
<b>Cash and cash equivalents at the end of the year</b>	<b>96.50</b>	<b>633.20</b>

In terms of our Reports attached

For **Shah & Shah Associates**  
Chartered Accountants  
(FRN:113742W)

**Vasant C. Tanna**  
Partner  
Membership Number: 100422

Place: Ahmedabad  
Date : May 8, 2018

For and on behalf of Board of Directors

**Dinesh B. Patel, Chairman**  
(DIN : 00171089)

**Arun P. Patel, Vice Chairman**  
(DIN : 00830809)

**Amit D. Patel, Managing Director (Group)**  
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(DIN : 00490259)

**Prashant D. Shah**  
Head – Accounts, Audit & CFO

Place: Ahmedabad  
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**Lavkumar Kantilal Shah, Director**  
(DIN : 01572788)

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**Rajesh B. Parikh, Director**  
(DIN : 00171231)

**Hitesh T. Mehta**  
Company Secretary

## STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2018

### A. Equity share capital

Particular	(₹ in crore)
Balance as at 1st April, 2016	44.66
Changes in equity share capital during the year	9.81
Balance as at 1st April, 2017	54.47
Changes in equity share capital during the year	4.94
Balance as at March 31, 2018	59.41

### B. Other equity

Particulars	Reserves and surplus				Item of Other Comprehensive income			Total		
	Capital reserve	Capital redemption reserve	Securities premium reserve	Debt redemption reserve	Equity component of financial instruments (FCCBs)	General reserve	Retained earnings		Equity instruments through other comprehensive income	Remeasurement of net defined benefit plan
<b>Balance as at April 1, 2016</b>	<b>47.80</b>	<b>15.05</b>	<b>1,714.02</b>	<b>120.02</b>	<b>-</b>	<b>448.44</b>	<b>2,536.61</b>	<b>(1.19)</b>	<b>(1.07)</b>	<b>4,879.68</b>
Profit for the year	-	-	-	-	-	127.48	127.48	-	-	127.48
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	1.04	0.05	1.09
<b>Total comprehensive income/ (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127.48</b>	<b>127.48</b>	<b>1.04</b>	<b>0.05</b>	<b>128.57</b>
Transfer on account of demerger (net) (Refer note 36)	(47.80)	(15.05)	(1,714.02)	0.00	-	(111.13)	-	-	-	(1,888.00)
Amount received from right issue (Net of issue expenses ₹3.57 crores)	-	-	488.74	-	-	-	-	-	-	488.74
Transfer to reserve	-	-	-	(63.85)	-	91.27	(27.42)	-	-	-
Equity Component for issue of FCCBs	-	-	-	-	91.12	-	-	-	-	91.12
On conversion of FCCBs	-	-	189.49	-	-	-	-	-	-	189.49
Payment of dividends (including tax on dividend)	-	-	-	-	-	(37.62)	-	-	-	(37.62)
<b>Balance as at March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>678.23</b>	<b>56.17</b>	<b>91.12</b>	<b>428.58</b>	<b>2,599.05</b>	<b>(0.15)</b>	<b>(1.02)</b>	<b>3,851.98</b>
Profit for the year	-	-	-	-	-	135.98	135.98	-	-	135.98
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	5.10	0.08	5.18
<b>Total comprehensive income/ (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>135.98</b>	<b>135.98</b>	<b>5.10</b>	<b>0.08</b>	<b>141.16</b>
Transfer to reserve	-	-	-	27.43	-	(27.43)	-	-	-	-
On conversion of FCCBs	-	-	437.78	-	(76.58)	-	-	-	-	361.20
Payment of dividends (including tax on dividend)	-	-	-	-	-	(17.17)	-	-	-	(17.17)
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>1,116.01</b>	<b>83.60</b>	<b>14.54</b>	<b>428.58</b>	<b>2,690.43</b>	<b>4.95</b>	<b>(0.94)</b>	<b>4,337.17</b>

(₹ in crore)

In terms of our Reports attached

For and on behalf of Board of Directors  
**Dinesh B. Patel, Chairman**  
*Chartered Accountants*  
(FRN:113742W)

**Vasant C. Tanna**  
*Partner*  
Membership Number: 100422

Place: Ahmedabad  
Date : May 8, 2018

For and on behalf of Board of Directors

**Arun P. Patel, Vice Chairman**  
(DIN : 00830809)

**Sunil Kumar Kanojia, Director**  
(DIN : 00490259)

**Narendra Kumar Bansal, Director**  
(DIN : 03086069)

**Hitesh T. Mehta**  
*Company Secretary*

Place: Ahmedabad  
Date : May 8, 2018

**Amit D. Patel, Managing Director (Group)**  
(DIN : 00171035)

**Maitri Mehta, Director**  
(DIN : 07549243)

**Prashant D. Shah**  
*Head - Accounts, Audit & CFO*

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## 1. General Information

Sintex Industries Limited ("the Company") is primarily engaged in the business of manufacture and sale of yarn and structured fabrics.

Sintex Industries Limited is a public limited company incorporated in India on June 01, 1931 under the Companies Act, 1956 and listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is at Kalol (North Gujarat) – 382 721, India. The Textile Division of the company is situated at Kalol (N.G) and its Yarn Division is situated at Village Lunsapur, Talu: Jafrabad, Dist: Amreli.

## 2. Significant Accounting policies

### I. Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

### II. Basis of preparation and presentation

The standalone financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IND AS 102, leasing transactions that are within the scope of IND AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IND AS 2 or value in use in IND AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, that are quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### III. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for the estimated customer returns, rebates and other similar allowances.

#### Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company recognizes revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes, Goods and service tax and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable.

#### Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### IV. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### The Company as a lessor

Amount due from the lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

#### The Company as a lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Lease payments under an operating lease shall be

recognised as an expense on a straight-line basis over the lease term unless either:

- a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### V. Foreign currency translations

The functional currency of the Company has been determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is INR.

In preparing the standalone financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

The Company has decided to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the standalone financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. exchange differences relating to long term foreign currency monetary items in so far as they relate to acquisition of depreciable capital assets is adjusted to the cost of such capital asset and depreciated over the balance useful life of such asset.

### VI. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### VII. Employee Benefits

#### Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item employee benefits expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

#### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

### VIII. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets on non-depreciable assets the carrying

amounts of such properties are presumed to be recovered entirely through sale.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

## IX. Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalized as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Assets in the course of construction are capitalized in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed. Revenue generated



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

from production during the trial period is capitalized.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the standalone financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

### X. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and Amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

### XI. Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is provided on buildings and plant & machinery on a straight-line method and in case of other tangible assets, on written-down value method over the estimated useful lives of the assets as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for plant and machinery. In respect of plant and machinery, the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The useful lives of plant and machinery has been estimated as 22 years and 30 years for different categories as technically determined.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Intangible assets are amortized over their estimated useful lives on straight line method. The amortization rates used for intangible assets are as under:

Class of assets	Years
Software	5 years

Freehold land is not depreciated. Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease

agreements at future dates at no additional cost.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

### XII. Impairment of non-current assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## XIII. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, traded goods and stores and spares are ascertained on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

## XIV. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## XV. Financial Instruments

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of

the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit and Loss are recognised immediately in Statement of Profit and Loss.

## A. Financial assets

### a) Recognition and initial measurement

- i) The Company initially recognizes loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.
- ii) In case of investments in subsidiaries, the Company has chosen to measure its investments at deemed cost.
- iii) The Company has elected to apply the requirements pertaining to Level III financial instruments of deferring the difference between the fair value at initial recognition and the transaction price prospectively to transactions entered into on or after the date of transition to Ind AS.

### b) Classification

On initial recognition, a financial asset is classified as measured at; amortized cost, FVOCI or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost

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is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 13. A debt instrument is classified as FVOCI only if it meets both the of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category

are measured at fair value with all changes recognized in the P&L.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## d) Impairment

### Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative standalone financial statements)
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- I) Trade receivables or contract revenue receivables; and
- II) All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- i) Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- ii) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- iii) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

### e) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

## B. Financial liabilities and equity instruments

### a) Classification as debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### c) Compound instruments

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to [share premium/other equity. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

### d) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the [Statement of comprehensive income/Statement of Profit and Loss].

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in Statement of Profit and Loss.

## e) Derivative financial instruments

The Company has entered into forward exchange contracts or principal only swap which are in substance of forward exchange contracts to manage its exposure to foreign currency cash flows.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are

subsequently remeasured to their fair value at the end of each reporting period.

## f) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortized cost	Fair value at reclassification date becomes its new amortized cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortized cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

## XVI. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts.

## XVII. Earnings per share

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share is computed by dividing income available to shareholders and assumed conversion by the weighted average number of common shares and potential common shares from outstanding stock options.

## XVIII. Government grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Grants of the State and Central Government which are intended to compensate a specified percentage of the interest on borrowings are

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

netted off against the related interest expenditure on borrowings.

Government grants whose primary condition is that Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss in the period in which they become receivable.

### 3. Critical Judgements in applying accounting policies and key sources of estimation uncertainty

#### 3.1 Critical judgements in applying accounting policies

In the course of applying the policies outlined in all notes under section 2 above, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

#### 3.2 Key sources of estimation uncertainty

##### i) Useful lives and residual value of property, plant and equipment

Company reviews the useful lives and residual values of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, useful lives are reviewed annually using the best information available to the Management.

##### ii) Fair value measurements and valuation process

Management uses its judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied. Other financial instruments are valued using a discounted cash flow method based on assumptions supported, where possible, by observable market prices or rates. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 41.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## 4 Property, Plant and Equipment

(₹ in crores)

Particulars	Freehold land	Leasehold land	Buildings	Plant and machinery	Furniture, fixtures and Office equipments	Vehicles	Total
<b>Cost or deemed cost</b>							
<b>At April 01, 2016</b>	<b>353.97</b>	<b>0.78</b>	<b>467.71</b>	<b>5,734.09</b>	<b>9.69</b>	<b>20.23</b>	<b>6,586.47</b>
Additions	176.28	-	0.88	187.40	2.86	2.18	369.60
Transfers on account of demerger (Refer note 36)	(60.33)	(0.78)	(117.94)	(2,800.14)	(1.11)	(5.66)	(2,985.95)
Disposals	-	-	-	(0.68)	-	(1.04)	(1.72)
<b>At March 31, 2017</b>	<b>469.93</b>	<b>-</b>	<b>350.65</b>	<b>3,120.67</b>	<b>11.44</b>	<b>15.71</b>	<b>3,968.40</b>
Additions	1.82	-	577.12	1,670.77	13.11	1.99	2,264.81
Disposals	-	-	-	(7.66)	-	(1.37)	(9.03)
<b>At March 31, 2018</b>	<b>471.75</b>	<b>-</b>	<b>927.77</b>	<b>4,783.78</b>	<b>24.55</b>	<b>16.33</b>	<b>6,224.18</b>
<b>Accumulated depreciation and impairment</b>							
<b>At April 01, 2016</b>	-	<b>0.07</b>	<b>7.65</b>	<b>175.62</b>	<b>2.31</b>	<b>4.96</b>	<b>190.61</b>
Transfers on account of demerger (Refer note 36)	-	(0.07)	(4.17)	(108.78)	(0.35)	(0.75)	(114.12)
Charged to Statement of Profit and Loss during the year	-	-	11.62	114.87	2.08	3.50	132.07
Disposals	-	-	-	(0.38)	-	(0.85)	(1.23)
<b>At March 31, 2017</b>	-	-	<b>15.10</b>	<b>181.32</b>	<b>4.03</b>	<b>6.86</b>	<b>207.31</b>
Charged to Statement of Profit and Loss during the year	-	-	13.73	122.44	2.71	2.88	141.76
Disposals	-	-	-	(0.07)	-	(0.68)	(0.75)
<b>At March 31, 2018</b>	-	-	<b>28.83</b>	<b>303.69</b>	<b>6.74</b>	<b>9.06</b>	<b>348.32</b>
<b>Net book value</b>							
<b>At March 31, 2017</b>	<b>469.93</b>	-	<b>335.55</b>	<b>2,939.35</b>	<b>7.41</b>	<b>8.85</b>	<b>3,761.09</b>
<b>As at March 31, 2018</b>	<b>471.75</b>	-	<b>898.94</b>	<b>4,480.09</b>	<b>17.81</b>	<b>7.27</b>	<b>5,875.86</b>

4.1 Addition to Fixed Assets include Capitalisation of borrowing Cost pertaining to qualifying assets of ₹166.43 crore (Previous year ₹99.84 crore).

4.2 In case of freehold land, title deed/conveyance deed in respect of ₹116.05 crore in favour of the company is pending.

4.3 The detail of property, plant and equipments pledged against borrowings are presented in note 20 and 23.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## 5 Intangible assets

(₹ in crores)

Particulars	Computer software	Total
<b>Cost or deemed cost</b>		
<b>As at April 01, 2016</b>	<b>2.32</b>	<b>2.32</b>
Transfers on account of demerger (Refer note 36)	(1.71)	(1.71)
Additions	0.33	0.33
<b>As at March 31, 2017</b>	<b>0.94</b>	<b>0.94</b>
Additions	3.91	3.91
<b>As at March 31, 2018</b>	<b>4.85</b>	<b>4.85</b>
<b>Accumulated amortisation and impairment</b>		
<b>At April 1, 2016</b>	<b>0.50</b>	<b>0.50</b>
Transfer on account of demerger (Refer note 36)	(0.39)	(0.39)
Charged to Statement of Profit and Loss during the year	0.15	0.15
<b>As at March 31, 2017</b>	<b>0.26</b>	<b>0.26</b>
Charged to Statement of Profit and Loss during the year	0.40	0.40
<b>As at March 31, 2018</b>	<b>0.66</b>	<b>0.66</b>
<b>Net book value</b>		
<b>As at March 31, 2017</b>	<b>0.68</b>	<b>0.68</b>
<b>As at March 31, 2018</b>	<b>4.19</b>	<b>4.19</b>

## 6 Depreciation and amortisation expense

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of Property, plant and equipment	141.76	132.07
Amortisation of intangible assets	0.40	0.15
<b>Total depreciation and amortisation</b>	<b>142.16</b>	<b>132.22</b>

## 7 Investments (non-current)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>I Investments (At deemed cost)</b>		
<b>A. Trade, Unquoted</b>		
<b>Investments in Equity Instruments subsidiary:</b>		
BVM Overseas Ltd		
45,00,000 (previous year 45,00,000) shares of ₹10 each fully paid	4.50	4.50
<b>Total Investments in equity instruments at deemed cost (i)</b>	<b>4.50</b>	<b>4.50</b>
<b>II At fair value through other comprehensive income</b>		
<b>Investment in unquoted equity instruments</b>		
BVM Finance Pvt Ltd		
17,38,000 (previous year 17,38,000) shares of ₹10 each fully paid	13.67	8.54
Sintex Oil & Gas Ltd		
50,000 (previous year 50,000) shares of ₹10 each fully paid	0.05	0.05
Healwell International Ltd		
9,00,000 (previous year 9,00,000) shares of ₹10 each fully paid	3.00	3.00
Sixvents Power and Engineering Ltd		
13,300 (previous year 13,300) shares of ₹10 each fully paid	0.01	0.01

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Particulars	As at March 31, 2018	As at March 31, 2017
<b>Investments in quoted equity instruments</b>		
Dena Bank		
30,200 (previous year 30,200) shares of ₹10 each fully paid	0.06	0.09
<b>Total Investments at fair value through other comprehensive income (ii)</b>	<b>16.79</b>	<b>11.69</b>
<b>Total (i) + (ii)</b>	<b>21.29</b>	<b>16.19</b>
<b>Aggregate amount of quoted Investments</b>	<b>0.06</b>	<b>0.09</b>
<b>Aggregate market value of quoted investment</b>	<b>0.06</b>	<b>0.09</b>
<b>Aggregate carrying value of unquoted Investments</b>	<b>21.23</b>	<b>16.10</b>

### 8 Loans (non current) ( Unsecured, considered good)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposits & Earnest money deposits	8.84	5.47
<b>Total</b>	<b>8.84</b>	<b>5.47</b>

### 9 Other non-current assets

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Capital advances	237.45	224.12
(b) Service tax paid under protest	4.04	4.04
<b>Total</b>	<b>241.49</b>	<b>228.16</b>

### 10 Non-Current Tax Assets (Net)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance Tax (Net of Provision for Taxation)	38.15	-
<b>Total</b>	<b>38.15</b>	<b>-</b>

### 11 Inventories (At lower of cost and net realisable value)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Raw invmaterials	378.48	128.60
(b) Work-in-progress	28.11	33.48
(c) Finished goods	100.04	39.17
(d) Stores and spares	6.61	3.81
<b>Total</b>	<b>513.24</b>	<b>205.06</b>

The cost of inventories recognised as an expenses ₹1,344.88 crores (for the year ended March 31, 2017 ₹926.07 crores)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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## 12 Current investments

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current Investments at fair value through Statement of Profit and Loss</b>		
<b>Non- Trade, Unquoted</b>		
<b>Mutual funds</b>		
Nil (Previous year 18,728) units Templeton India Short Term Income Plan Inst.-G, face value of ₹1000	-	5.20
Nil (Previous Year 46,75,563) units Templeton India Income Opp. Fund- G, face value of ₹10	-	8.91
Nil (Previous Year 16,21,863) units Templeton India Law Duration Fund - G, face value of ₹10	-	2.99
5,22,312 (Previous Year 11,83,727) units Principal Assets Allocation Fund Conservative Plan - RSPG, face value of ₹10	0.63	1.33
<b>Aggregate carrying value of unquoted investments</b>	<b>0.63</b>	<b>18.43</b>

## 13 Trade receivables \*

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	550.24	478.09
Doubtful	0.19	0.19
Less: Provision for doubtful trade receivables	(0.19)	(0.19)
<b>Total</b>	<b>550.24</b>	<b>478.09</b>

\* Note: The average credit period on sales of good is 0 to 180 days. Credit Risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. A customer who is Wholly Owned Subsidiary (WOS) of the company has a balance of more than 10% of the total balance of trade receivables. There is no other customer representing more than 10% of the total balance of trade receivables.

## Movement in the expected credit loss allowance

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	-	5.13
Loss allowance calculated at lifetime expected credit losses	-	-
Transfer of expected credit loss on trade receivable pursuant to the demerger Scheme	-	(5.13)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

## 14 Cash and Cash Equivalents

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Balance with banks	44.32	46.27
(b) Cash on hand	0.37	0.14
(c) Cheques, draft on hand	-	3.57
(d) Bank deposits with upto 3 months maturity	50.84	582.32
	<b>95.53</b>	<b>632.30</b>
<b>Other bank balances</b>		
Earmarked balances with banks		
- Unclaimed dividend accounts	0.97	0.90
	<b>0.97</b>	<b>0.90</b>
<b>Total</b>	<b>96.50</b>	<b>633.20</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## 15 Bank Balances other than (14) above

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Other bank balances</b>		
Bank deposits having maturity beyond 3 months	107.05	70.91
<b>Total</b>	<b>107.05</b>	<b>70.91</b>

## 16 Loans (Current)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Unsecured, considered good, unless otherwise stated</b>		
(a) Security deposits & earnest money deposits	1.29	5.79
(b) Other loans (Refer Note below)	59.06	264.58
<b>Total</b>	<b>60.35</b>	<b>270.37</b>

Note: This includes ₹52.89 crores (previous year ₹48.94 crores) due from Sintex Oil & Gas Limited which is guaranteed by a promoter group company.

## 17 Other current assets

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Export incentive receivable	0.46	0.51
(b) Advances recoverables in cash or kind	49.31	41.19
(c) Prepaid expenses	2.85	1.43
(d) Balances with government authorities	76.92	56.78
(e) Subsidies receivable	416.56	155.94
(f) Interest receivable	5.97	1.52
<b>Total</b>	<b>552.07</b>	<b>257.37</b>

## 18 Equity Share capital

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Authorised</b>		
65,00,00,000 ( previous year 65,00,00,000) Equity Shares of ₹1 each	65.00	65.00
<b>Total</b>	<b>65.00</b>	<b>65.00</b>
<b>Issued</b>		
59,41,26,888 ( previous year 54,47,27,754) Equity Shares of ₹1 each	59.41	54.47
<b>Total</b>	<b>59.41</b>	<b>54.47</b>
<b>Subscribed and fully paid up</b>		
59,40,95,088( previous year 54,46,95,954) Equity Shares of ₹1 each	59.41	54.47
<b>Total</b>	<b>59.41</b>	<b>54.47</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

### Notes:-

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Opening Balance	Conversion of FCCB into equity shares during the year	Right issue during the year	Closing Balance
<b>Equity Shares</b>				
<b>Year ended 31st March 2017</b>				
- Number of shares	44,65,50,721	2,12,23,333	7,69,21,900	54,46,95,954
- Amount (₹ In Crore)	<b>44.66</b>	<b>2.12</b>	<b>7.69</b>	<b>54.47</b>
<b>Year ended 31st March 2018</b>				
- Number of shares	54,46,95,954	4,93,99,134	-	59,40,95,088
- Amount (₹ In Crore)	<b>54.47</b>	<b>4.94</b>	-	<b>59.41</b>

### (ii) Terms/ Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1/- per share. Each holder of equity share is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing AGM.

(iii) As at 31st March, 2018: 98,79,844 shares (previous year 5,92,78,978 shares) were reserved for issuance towards Foreign Currency Convertible Bonds (FCCB).

### (iv) Equity shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below:

Class of shares/ Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares</b>				
BVM Finance Private Limited	7,81,03,905	13.15%	7,81,03,905	14.34%
Kolon Investment Private Limited	5,58,77,110	9.41%	5,58,77,110	10.26%
Opel Securities Private Limited	3,02,23,452	5.09%	3,02,23,452	5.55%

## 19 Other Equity

Refer Statement of Changes in Equity for detailed movement in Equity Balances

### A Summary of Other Equity Balances

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Securities premium reserve	1,116.01	678.23
(b) Debenture redemption reserve	83.60	56.17
(c) General reserve	428.58	428.58
(d) Equity instruments through Other Comprehensive income	4.95	(0.15)
(e) Remeasurement of defined benefit plans	(0.94)	(1.02)
(f) Equity Components of compounded financial instruments (FCCBs) reserve	14.54	91.12
(g) Retained Earning	2,690.43	2,599.05
<b>Total</b>	<b>4,337.17</b>	<b>3,851.98</b>

### B Nature and purpose of reserves

#### (a) Debenture redemption reserve

This reserve has been created for redemption of debentures issued by the company in compliance of provisions of the Companies Act, 2013 and rules framed there under.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

### (b) General Reserve

The general reserve is created from time to time by transfer of profits from retained earnings for appropriate purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Statement of profit and loss.

### (c) Equity instruments through other comprehensive income

The reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income.

### (d) Remeasurement of defined benefit plans

The reserve represents the impact of actuarial gains and losses on the funded obligation due to change in financial assumptions, change in demographic assumption, experience adjustments, etc. recognised through other comprehensive income.

### (e) Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

## 20 Borrowings (non-current)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Secured - at amortised cost</b>		
(a) Debentures (refer note (i) to (iii) below)	497.54	497.13
(b) Term loans		
(i) From banks (refer note (iv) to (vi) below)	3,166.54	2,157.81
(ii) From a Financial Institution (refer note (iv) to (vi) below)	441.18	526.65
<b>Unsecured - at amortised cost</b>		
(a) Foreign Currency Convertible Bonds	64.06	393.03
(b) Foreign Currency Term loans from a bank (Refer note (vii) below)	64.31	63.02
<b>Total</b>	<b>4,233.63</b>	<b>3,637.64</b>

### Notes:

- (i) 2,500 (Previous year 2,500) 9.41% Secured Redeemable Non Convertible debentures of ₹10,00,000/- each, are redeemable at par on 8th October, 2020. The Debentures are secured by first pari passu charge on fixed assets (excluding spinning unit) of the Company.
- (ii) 1,375 (Previous year 1,375) 10.70% Secured Redeemable Non Convertible debentures of ₹10,00,000/- each, are redeemable at par in three equal annual installments starting from 30th September, 2019. The Debentures are secured by first pari passu charge on fixed assets (excluding spinning unit) of the Company.
- (iii) 1,125 (Previous year 1,125) 10.70% Secured Redeemable Non Convertible debentures of ₹10,00,000/- each, are redeemable at par in three annual installments starting from 11th June, 2019. The Debentures are secured by first pari passu charge on fixed assets (excluding spinning unit) of the Company.
- (iv) Term Loans from the banks and Financial Institution referred in point no (f) of Note (vi) below are secured by first charge on pari passu basis on all the immovable and movable properties of the Company, both present and future excluding properties of spinning unit and on specified current assets and book debts on which prior charge created in favour of the Banks for working capital facilities (refer note 23).
- (v) Term Loans from the banks and Financial Institution referred in point no (a) (b) and (c) of Note (vi) below from the banks and financial institution are secured by first charge on pari passu basis on respective project assets of the spinning unit.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

- (vi) Terms of repayments of term loans (including current maturities of long term debt) carrying interest rate range of 2.4% to 11.25% p.a. are given below:-
- Loan outstanding of ₹1,097.99 crores (previous year ₹1,220.00 crores) - the overall loan repayment term includes 30 quarterly installment of ₹40.67 crores each starting from August 2017 to November, 2024.
  - Loan outstanding of ₹1,217.95 crores (previous year ₹984.35 crores) - the overall loan repayment term includes 30 quarterly installment of ₹40.67 crores each starting from April, 2018 to September, 2025 .
  - Loan outstanding of ₹1,289.37 crores (previous year ₹300.00 crores) - the overall loan repayment term includes 36 quarterly installment of ₹52.40 crores each starting from September, 2019 to June, 2028.
  - Loan outstanding of ₹80.44 crores (previous year ₹82.5 crores) - the loan repayment term includes 32 structured quarterly installment of ₹1.03 crores each starting from December, 2016 till September, 2021 and ₹4.125 crores starting from December, 2021 to September, 2025 (For Security refer note (i) to (iii) above)
  - Loan outstanding of ₹89.58 crores (previous year ₹ Nil) - the loan repayment term includes 32 structured quarterly installment of ₹ 1.15 crores each starting from December, 2017 to September, 2021 and ₹ 4.59 crores starting from December, 2021 to September 2025. (For Security refer note (i) to (iii) above)
  - The Technology Upgradation Fund Scheme (TUFs) term loans include:
    - Loan outstanding of ₹104.33 crores (previous year ₹129.33 crores) - the overall loan repayment term includes 32 quarterly installment of ₹6.25 crore each starting from 1st October, 2014 till 1st July, 2022.
    - Loan outstanding of ₹76.66 crores (previous year ₹94.69 crores) - the overall loan repayment term includes 32 quarterly installment of ₹4.51 crore each commencing after 27 months moratorium period i.e. starting from 1st October, 2014 till 1st July, 2022.
    - Loan outstanding of ₹47.94 crore (previous year ₹63.56 crores) - the overall loan repayment term includes 32 quarterly installment of ₹3.13 crore each commencing from 1st October, 2014 till 1st July, 2022.
- (vii) Foreign currency loan of ₹65.04 crore (previous year ₹63.02 crore) payable in 2 yearly equal installment commencing from 5th April, 2021

### 21 Provisions (non-current)

(₹ in crores)

Particulars	As at	
	March 31, 2018	March 31, 2017
Provision for employee benefits:		
(i) Provision for compensated absences	5.45	5.88
(ii) Provision for gratuity	7.51	7.30
<b>Total</b>	<b>12.96</b>	<b>13.18</b>

### 22 Deferred tax liabilities (Net)

(₹ in crores)

Particulars	As at	
	March 31, 2018	March 31, 2017
<b>(a) Deferred Tax Liability</b>		
(i) Difference between book and tax depreciation	567.66	396.41
(ii) Recognition of equity component of compounded financial instruments (FCCBs)	8.97	48.22
(iii) Related to Ind AS adjustment	0.68	6.37
	<b>577.31</b>	<b>451.00</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Deferred Tax Asset</b>		
(i) Disallowances under Income Tax	6.92	7.46
(ii) Provision for doubtful debts & advances	0.07	0.29
(iii) Unabsorbed depreciation	216.11	110.38
(iv) Minimum Alternate Tax	273.85	247.32
(v) Demerger and Retrenchment expenses as per Section 35DD	2.43	0.04
	499.38	365.49
<b>Total</b>	<b>77.93</b>	<b>85.51</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.

### 23 Borrowings (current)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Secured- at amortised cost</b>		
Loans repayable on demand from banks (Refer note below)	772.58	318.17
<b>Unsecured- at amortised cost</b>		
From a Bank	49.60	-
<b>Total</b>	<b>822.18</b>	<b>318.17</b>

Note: Loans from the banks are secured by first charge on the stocks and book debts of the Company, both present and future.

### 24 Trade payables

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables (other than acceptances)	280.47	198.40
<b>Total</b>	<b>280.47</b>	<b>198.40</b>

The average credit period on purchases of certain goods is 7 to 240 days. No interest is charged on the trade payables for the first 240 days from the date of invoice. Thereafter, the interest is payable at 18% per annum on the outstanding balance. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

### Dues payable to Micro and Small Enterprises:

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Principal amount remaining unpaid to any supplier as at the year end	0.54	0.54
Interest due on the above mention principal amount remaining unpaid to any supplier as at the year end	0.01	0.03
Amount of the interest paid by the Company in terms of Section 16	-	-
Amount of the interest due and payable for the period of delay in making payment but without adding the interest specified under the MSMED Act	0.01	0.03
Amount of interest accrued and remaining unpaid at the end of the accounting year	0.01	0.03



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## 25 Other financial liabilities (Current)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Current maturities of long-term borrowings (Refer note 20 borrowings Non Current Borrowings for details of security)	387.56	179.60
(b) Interest accrued on borrowings	34.43	21.96
(c) Investor's Education and Protection Fund		
(i) Unclaimed dividends	0.97	0.90
(d) Acceptances	117.43	25.53
(e) Others:		
(i) Payables on purchase of fixed assets	8.38	25.85
(ii) Trade / security deposits received	0.59	0.50
(iii) Others	38.65	-
<b>Total</b>	<b>588.01</b>	<b>254.34</b>

## 26 Other current liabilities

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Statutory remittances	2.84	5.66
(b) Advances from customers	1.17	11.20
<b>Total</b>	<b>4.01</b>	<b>16.86</b>

## 27 Provisions (Current)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
(i) Provision for compensated absences	1.28	1.18
(ii) Provision for gratuity	2.49	2.08
<b>Total</b>	<b>3.77</b>	<b>3.26</b>

## 28 Current tax liabilities (Net)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Provision for taxation (net of advance tax)	-	4.44
<b>Total</b>	<b>-</b>	<b>4.44</b>

## 29 Revenue from operations

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products	2,042.26	1,433.84
Less: Commission towards sales	(6.50)	(3.39)
<b>Total</b>	<b>2,035.76</b>	<b>1,430.45</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## 30 Other income

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest income earned on financial asset that are not designated as at fair value through profit or loss (FVTPL)	22.63	30.64
(b) Investments measured at fair value through profit or loss	0.11	1.82
(c) Net gain on sale / transfer of investments of current investments	1.11	0.87
(d) Subsidies from government authorities	81.59	28.85
(e) Net gain on foreign currency transactions and translation (other than considered as finance cost)	5.63	18.51
(f) Profit on sale of Fixed Assets (Net)	6.00	-
(g) Miscellaneous income	2.74	3.02
<b>Total</b>	<b>119.81</b>	<b>83.71</b>

## 31 Cost of materials consumed

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock	128.60	15.34
Add: Purchases	1,577.36	1,029.61
Less: Closing stock	378.48	128.60
<b>Cost of materials consumed</b>	<b>1,327.48</b>	<b>916.35</b>

## 32 Changes in inventories of finished goods and work-in-progress

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Inventories at the end of the year:</b>		
(a) Finished goods	100.04	39.17
(b) Work-in-progress	28.11	33.48
	<b>128.15</b>	<b>72.65</b>
<b>Inventories at the beginning of the year:</b>		
(a) Finished goods	39.17	36.55
(b) Work-in-progress	33.48	10.99
	<b>72.65</b>	<b>47.54</b>
<b>Net (increase) / decrease</b>	<b>(55.50)</b>	<b>(25.11)</b>

## 33 Employee benefits expense

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Salaries and wages	127.61	78.66
(b) Contributions to provident and other funds	12.80	8.28
(c) Staff welfare expenses	6.39	8.98
<b>Total</b>	<b>146.80</b>	<b>95.92</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

### 34 Finance costs

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest costs on borrowings carried at amortised cost (net of interest subsidy)	101.71	87.95
(b) Other Borrowing Costs	5.08	1.80
<b>Total</b>	<b>106.79</b>	<b>89.75</b>

### 35 Other expenses

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Consumption of stores and spare parts	72.90	34.83
(b) Power and fuel	181.14	105.51
(c) Rent including lease rentals	2.54	2.15
(d) Repairs and maintenance - Buildings	0.03	0.02
(e) Repairs and maintenance - Machinery	0.91	0.54
(f) Repairs and maintenance - Others	1.55	0.29
(g) Insurance	2.95	2.55
(h) Rates and taxes	0.36	0.05
(i) Travelling and conveyance	9.21	5.16
(j) Transport & Freight Charges	6.90	2.85
(k) Donations and contributions	0.05	0.01
(l) Expenditure on Corporate Social Responsibility (Refer Note-43)	9.49	9.40
(m) Payments to auditors (Refer below note)	0.57	0.31
(n) Legal & Professional charges	9.07	1.46
(o) Loss on sale / impairment of fixed assets (net)	-	0.07
(p) General Expenses	18.45	8.63
<b>Total</b>	<b>316.12</b>	<b>173.83</b>
<b>Payments to Auditors</b>		
(a) For audit	0.35	0.31
(b) For other services (including certifications, etc.)	0.22	-
<b>Total</b>	<b>0.57</b>	<b>0.31</b>

### 36 Composite Scheme of Arrangement:

Upon the sanction of the Composite Scheme of Arrangement (the 'Scheme') by the Hon'ble NCLT bench at Ahmedabad vide Order dated 23rd March, 2017 between the Company, Sintex Plastics Technology Limited, Sintex-BAPL Limited and Sintex Infra Projects Limited, the Custom Moulding business and the Prefab business of the Company along with its related assets and liabilities at the values appearing in the books of accounts of the Company on the close of business hours on 31st March, 2016 had been transferred in accordance with the Scheme to Sintex-BAPL Limited and Sintex Infra Projects Limited respectively effective from 1st April, 2016, being the Appointed Date of the Scheme.

The difference between the value of assets and value of liabilities of the Custom Moulding business and Prefab business amounting to ₹1688.09 crore transferred to Sintex-BAPL Limited and Sintex Infra Projects Limited and the cancellation of equity shares held by the Company in the paid up share capital of Sintex Plastics Technology Limited of ₹199.91 crore, aggregating to ₹1888.00 crore had been appropriated as under :

- (i) Capital Reserve ₹47.80 crore
- (ii) Capital Redemption Reserve ₹15.05 crore
- (iii) Securities Premium Account ₹1714.02 crore
- (iv) General Reserve ₹111.13 crore

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## 37 Foreign Currency Convertible Bonds (FCCBs)

On May 25, 2016, the Company issued USD 110 million Step Down Convertible Bonds due 2022 ("FCCBs"). The FCCBs bear interest (i) at the rate of 7% p.a from May 25, 2016 to May 25, 2018 and (ii) at the rate of 3.50% p.a from May 25, 2018 to May 25, 2022, payable semi-annually in arrear on the interest payment dates falling on 25 November and 25 May.

The FCCBs are convertible at any time on and after July 5, 2016 and up to the close of business on May 15, 2022 by holders of the FCCBs into fully paid equity shares with full voting rights of the Issuer each with a nominal value of ₹1 at the option of the holder, at an initial conversion price of ₹93.8125 per share with a fixed rate of exchange on conversion of ₹67.4463 = USD 1.00. The conversion price is subject to adjustment in certain circumstances and may be reset on November 25, 2018 and November 25, 2019 in accordance with the terms and conditions of the FCCBs.

As per the Scheme of Arrangement, on exercising option for conversion of the FCCBs, the FCCB holders shall receive one fully paid equity shares of ₹1 each with full voting rights of Sintex Plastics Technology Limited and further the repayment of FCCBs is guaranteed by Sintex Plastics Technology Limited.

The FCCBs contain two components: liability and equity elements. The equity element is presented in equity under the heading "Equity component of compound financial instruments".

Particulars	₹ in crores
Proceeds of issue	739.53
Liability component at the date of issue	545.51
<b>Equity component (gross of tax)</b>	<b>194.02</b>

During the year ended March 31, 2018, FCCBs aggregating to USD 67.5 million have been converted into 4,93,99,134 equity shares, resulting in to increase in equity share capital by ₹4.94 crores and security premium by ₹437.78 crores. There are USD 13.5 Million FCCB's outstanding for conversion as on March 31, 2018.

Particulars	(₹ in crores)	
	2017-18	2016-17
Reduction in equity component due to conversion of FCCBs into Equity (Gross of Tax)	115.83	51.15

## 38 Segment information

The Company has presented segment information in the consolidated financial statements which are presented in the same financial report. Accordingly, in terms of Paragraph 3 of Ind AS 108 'Operating Segments', no disclosures related to segments are presented in this standalone financial statements.

## 39 Related Party Transactions

### a. Names of the related parties and description of relationship

Sr. No.	Nature of relationship	Name of Related Parties
1	Key Management Personnel	Shri Rahul A. Patel, Managing Director (Group) Shri Amit D. Patel, Managing Director (Group) Shri S.B.Dangayach, Managing Director (up to 6th June, 2017)
2	Relatives of Key Management Personnel	Shri Dinesh B. Patel, Chairman Shri Arun P. Patel, Vice-chairman
3	Subsidiary	BVM Overseas Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

### b.1 Transactions during the year with related parties\*:

(₹ in crores)

Sr. No.	Nature of transactions	Nature of Relationship		
		Subsidiaries	Key Management Personnel & relatives thereof	Total
1	Purchase of goods/services*	25.79	-	25.79
		(16.47)	(-)	(16.47)
2	Sale of goods/services*	375.03	-	375.03
		(-)	(-)	(-)
3	Managerial remuneration	-	10.52	10.52
		(-)	(12.95)	(12.95)
4	Sitting fees	-	0.06	0.06
		(-)	(0.10)	(0.10)

\* Including taxes

### b.2 Balance as at March 31, 2018\*

(₹ in crores)

Sr. No.	Nature of transactions	Nature of Relationship		
		Subsidiaries	Key Management Personnel & relatives thereof	Total
1	Trade Payable	8.28	13.59	21.87
		(14.48)	(7.59)	(22.07)
2	Trade Receivable	71.62	-	71.62
		(-)	(-)	(-)

\* Figures in brackets indicates figures of previous year

### b.3 Disclosure of Material Related Party Transactions during the year and Balance outstanding

- Purchase of goods from BVM Overseas Ltd. ₹25.79 crores (Previous Year ₹16.47 crores), Balance as on March 31, 2018 ₹8.28 crores (Previous Year ₹14.48 crores).
- Sale of goods to BVM Overseas Ltd ₹375.03 Crores (Previous Year Nil). Balance as on March 31, 2018 ₹71.62 crores (Previous Year Nil).
- Managerial Remuneration include remuneration to Shri Rahul A. Patel ₹5.12 crores (Previous Year ₹5.53 crores), Shri Amit D. Patel ₹5.21 crores (Previous Year ₹5.56 crores), Shri S B Dangayach ₹0.19 crores (Previous Year ₹1.86 crores).
- Sitting fees paid includes to Shri Dinesh B. Patel ₹0.03 crore (Previous Year ₹0.04 crore), Shri Arun P. Patel ₹0.03 crore (Previous Year ₹0.06 crore).

## 40 Employee benefits plans

### a. Defined contribution plan

The Company operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Company in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹9.11 crores (for the year ended March 31, 2017 ₹6.15 crores) for Provident Fund contributions and ₹0.46 crores (for the year ended March 31, 2017 ₹0.68 crores) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

### b. Defined benefit plans:

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate Fund that is legally separated from the entity. The board of the fund is composed of an equal number of representatives from both employers and (former) employees. The board of the fund is required by law and by its articles of association to act in the interest of the fund and of all relevant stakeholders in the scheme, i.e. active employees, inactive employees, retirees, employers. The board of the fund is responsible for the investment policy with regard to the assets of the fund.

Under the Gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58, 60 and 62, without any payment ceiling. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years. Under the Compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

The defined benefit pension plans requires contributions from employees. Contributions are in the following two forms; one is based on the number of years of service and the other one is based on a fixed percentage of salary of the employees. Note 2(X) describes change in accounting in the current year following the adoption of the amendments to Ind AS 19.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance company. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2018 by M/s Kapadia Actuaries & Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

### c. The Company offers the following employee benefit schemes to its employees:

i. Gratuity (Funded through annual payment to Life Insurance Corporation of India) and other Insurance Companies.

ii. Compensated Absences (Unfunded)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

### A. Gratuity

The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	7.65%	7.25%
Expected rate(s) of salary increase	5.00%	5.00%
Attrition rate	3% at younger ages reducing to 1% at older ages	
Expected return on plan assets	9.13%	7.80%
Mortality tables	Indian Assured Lives Mortality (2006-08)	
Actuarial Valuation Method	Projected Unit Credit Method	

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factor.

### Amount recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows:

(₹ in crores)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Components of employer expense</b>		
Current service cost	2.08	1.36
Past service cost and loss/(gain) on curtailments and settlement	0.77	-
Net interest expense	0.60	0.59
<b>Component of defined benefit costs recognised in Statement of Profit and Loss</b>	<b>3.45</b>	<b>1.95</b>
Remeasurement of the net defined benefit liability:		
Actuarial losses/(gains)	0.04	(0.04)
Return on plan assets (excluding interest income amounts included in 'Net interest expense')	(0.16)	(0.05)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(0.12)</b>	<b>(0.09)</b>
<b>Total</b>	<b>3.33</b>	<b>1.86</b>

The current service cost and net interest expense for the year are included in the 'Employee benefit expense' line item in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

### The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans are as follows:

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Present value of funded defined benefit obligation	12.95	16.15	24.52
Fair value of plan assets	2.95	6.77	12.30
<b>Net liability/(asset) arising from defined benefit obligation</b>	<b>10.00</b>	<b>9.38</b>	<b>12.22</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

### Movement in present value of the defined benefit obligation are as follows:

(₹ in crores)

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Opening defined benefit obligation	16.15	15.19
Current service cost	2.08	1.36
Interest cost	1.07	1.09
Actuarial (gains) / losses	0.04	(0.04)
Past service cost	0.77	-
Benefits paid	(7.15)	(1.44)
<b>Closing defined benefit obligation</b>	<b>12.95</b>	<b>16.15</b>

### Movement in the fair value of the plan assets are as follows:

(₹ in crores)

Particulars	Year ended	
	March 31, 2018	March 31, 2017
<b>Opening fair value of plan assets</b>	<b>6.77</b>	<b>7.01</b>
Adjustment to the opening fund	-	-
Interest income	0.46	0.50
Expected return on plan assets excluding amounts included in interest income	0.16	0.05
Contribution by employer	2.71	0.66
Actuarial gain / (loss)	-	-
Benefits paid	(7.15)	(1.44)
<b>Closing fair value of plan assets</b>	<b>2.95</b>	<b>6.77</b>
<b>Actual return on plan assets</b>	<b>0.61</b>	<b>0.55</b>

### Composition of the plan assets:

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Policy of Insurance	49%	98%	100%
Bank balance	51%	2%	-

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Estimate of amount of contribution in the immediate next year	2.49	2.08	2.19

### Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(₹ in crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Increase	Decrease	Increase	Decrease
<b>Gratuity:</b>				
Discount rate (0.5% movement)	12.33	13.64	15.50	16.87
Future salary growth (0.5% movement)	13.64	12.32	16.84	15.52

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analyzed in terms of risk-and-return profiles. Investment and contribution policies are integrated within this study.

### The expected benefit payments is as follows:

(₹ in crores)

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>Gratuity:</b>					
<b>As at March 31, 2018</b>					
Defined benefit obligation	1.98	0.67	2.53	4.04	9.22
<b>As at March 31, 2017</b>					
Defined benefit obligation	2.86	1.45	3.91	4.57	12.79
<b>As at March 31, 2016</b>					
Defined benefit obligation	4.08	1.59	6.44	8.32	20.43

### B. Compensated Absences:

The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Discount rate	7.65%	7.25%	7.80%
Expected rate(s) of salary increase	5.00%	5.00%	5.00%
Attrition rate	3% at younger ages reducing to 1% at older ages		
Mortality tables	Indian Assured Lives Mortality (2006-08)		
Actuarial Valuation Method	Projected Unit Credit Method		

The amount included in Balance sheet arising from the entity's obligation in respect of its defined benefit obligation plans are as follows:

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Present value of funded defined benefit obligation	6.73	7.06	11.74
Fair value of plan assets	-	-	-
Net liability/(asset) arising from defined benefit obligation	6.73	7.06	11.74

## 41 Financial instruments

### 1 Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## 1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows.

(₹ in crores)

Particulars	As at	
	March 31, 2018	March 31, 2017
Debt (i)	5,443.37	4,135.40
Less: Cash and bank balances (Refer note 14 and 15)	203.55	704.11
<b>Net debt</b>	<b>5,239.82</b>	<b>3,431.29</b>
<b>Total equity</b>	<b>4,396.58</b>	<b>3,906.45</b>
<b>Net debt to equity ratio</b>	<b>1.19</b>	<b>0.88</b>

- (i) Debt is defined as long-term and short term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), as described in earlier notes ( Refer note 20, 23 and 25).

## 2 Categories of financial instruments

(₹ in crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying values	Fair values	Carrying values	Fair values
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Non-current investments	4.50	4.50	4.50	4.50
Loans	69.19	69.19	275.84	275.84
Trade receivables	550.24	550.24	478.09	478.09
Cash and cash equivalents	96.50	96.50	633.20	633.20
Bank balances other than cash and cash equivalents	107.05	107.05	70.91	70.91
<b>Total financial assets carried at amortised cost (A)</b>	<b>827.48</b>	<b>827.48</b>	<b>1,462.54</b>	<b>1,462.54</b>
<b>Measured at fair value through profit and loss</b>				
Current investments in mutual funds	0.63	0.63	18.43	18.43
<b>Total financial assets at fair value through profit and loss (B)</b>	<b>0.63</b>	<b>0.63</b>	<b>18.43</b>	<b>18.43</b>
<b>Measured at fair value through other comprehensive income</b>				
Non-current investments in equity instruments	16.79	16.79	11.69	11.69
<b>Total financial assets at fair value through other comprehensive income (C)</b>	<b>16.79</b>	<b>16.79</b>	<b>11.69</b>	<b>11.69</b>
<b>Total financial assets (A+B+C)</b>	<b>844.90</b>	<b>844.90</b>	<b>1,492.66</b>	<b>1,492.66</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
<b>Non-current liabilities</b>				
Non-current borrowings *	4,233.63	4,245.80	3,637.64	3,650.88
<b>Current liabilities</b>				
Short-term borrowings	822.18	822.18	318.17	318.17
Trade payables	280.47	280.47	198.40	198.40
Other financial liabilities	588.01	588.01	254.34	254.34
<b>Total financial liabilities measured at amortised cost</b>	<b>5,924.29</b>	<b>5,936.46</b>	<b>4,408.55</b>	<b>4,421.79</b>
<b>Total financial liabilities</b>	<b>5,924.29</b>	<b>5,936.46</b>	<b>4,408.55</b>	<b>4,421.79</b>

\* The fair value of company's fixed interest borrowing are determined by using Discounted Cash Flow Method.

## 3 Financial risk management objectives

The Company's Corporate finance department provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

The Corporate Treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

#### 4 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates due to foreign currency borrowings and variable interest loans. The Company has entered into derivative contracts to manage part of its foreign currency risk. The Company does not enter into derivative contracts to manage risks related to anticipated sales and purchases.

#### 5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts and currency options taken at the time of initiation of the booking by the management. Such decision is taken after considering the factors such as upside potential, cost of structure and the downside risks etc. Quarterly reports are submitted to Management Committee on the covered and open positions and MTM valuation.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(₹ in crores)

Particulars	As at March 31, 2018					As at March 31, 2017				
	USD	EURO	INR	Others	Total	USD	EURO	INR	Others	Total
<b>Financial assets</b>										
<b>Non-current financial assets</b>										
Investments	-	-	16.79	-	16.79	-	-	11.69	-	11.69
Loans	-	-	8.84	-	8.84	-	-	5.47	-	5.47
<b>Total non-current financial assets (A)</b>	-	-	<b>25.63</b>	-	<b>25.63</b>	-	-	<b>17.16</b>	-	<b>17.16</b>
<b>Current financial assets</b>										
Investments	-	-	0.63	-	0.63	-	-	18.43	-	18.43
Trade receivables	8.68	-	541.56	-	550.24	14.59	-	463.49	-	478.09
Cash and cash equivalents	8.95	-	87.55	-	96.50	9.06	-	624.15	-	633.20
Bank balances other than cash and cash equivalents	-	-	107.05	-	107.05	-	-	70.91	-	70.91
Loans	-	-	60.35	-	60.35	-	-	270.37	-	270.37
<b>Total current financial assets (B)</b>	<b>17.63</b>	-	<b>797.14</b>	-	<b>814.77</b>	<b>23.65</b>	-	<b>1,447.35</b>	-	<b>1,471.00</b>
<b>Total financial assets (C) = (A) + (B)</b>	<b>17.63</b>	-	<b>822.77</b>	-	<b>840.40</b>	<b>23.65</b>	-	<b>1,464.51</b>	-	<b>1,488.16</b>
<b>Financial liabilities</b>										
<b>Non current financial liabilities</b>										
Borrowings	128.37	-	4,105.26	-	4,233.63	456.05	-	3,181.59	-	3,637.64
<b>Total non-current financial liabilities (D)</b>	<b>128.37</b>	-	<b>4,105.26</b>	-	<b>4,233.63</b>	<b>456.05</b>	-	<b>3,181.59</b>	-	<b>3,637.64</b>
<b>Current financial liabilities</b>										
Borrowings	-	-	822.18	-	822.18	-	-	318.17	-	318.17
Trade payables	38.80	8.55	232.58	0.54	280.47	32.04	0.17	166.06	0.13	198.40
Other financial liabilities	16.17	-	571.84	-	588.01	16.12	-	238.22	-	254.34
<b>Total current financial liabilities (E)</b>	<b>54.97</b>	<b>8.55</b>	<b>1,626.60</b>	<b>0.54</b>	<b>1,690.66</b>	<b>48.16</b>	<b>0.17</b>	<b>722.45</b>	<b>0.13</b>	<b>770.91</b>
<b>Total financial liabilities (F) = (D) + (E)</b>	<b>183.34</b>	<b>8.55</b>	<b>5,731.86</b>	<b>0.54</b>	<b>5,924.29</b>	<b>504.21</b>	<b>0.17</b>	<b>3,904.04</b>	<b>0.13</b>	<b>4,408.55</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	As at March 31, 2018					As at March 31, 2017				
	USD	EURO	INR	Others	Total	USD	EURO	INR	Others	Total
Excess of financial liabilities over financial assets (F)-(C)	165.71	8.55	4,909.09	0.54	5,083.89	480.56	0.17	2,439.53	0.13	2,920.39
Net Exposure of foreign currency risk	165.71	8.55	-	0.54	174.80	480.56	0.17	-	0.13	480.86
Sensitivity impact on Net liabilities/ (assets) exposure at 10%	16.57	0.86		0.05	17.48	48.06	0.02	-	0.01	48.09

## 5.1 Foreign currency sensitivity analysis

The Company is mainly exposed to USD and EURO currency.

The above table details the Company's sensitivity to a 10% increase and decrease in the INR against relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency risk denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A negative number below indicates an increase in profit/equity where the INR strengthens 10% against the relevant currency. For a 10% weakening of the INR against the relevant currency, there would be a comparable impact on the profit/equity and the balances below would be positive.

## 5.2 Forward foreign exchange contracts

Company had entered into forward foreign exchange contracts to cover foreign currency payments and receipts.

## 6 Interest rate risk management

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company has exposure to interest rate risk, arising principally on changes in PLR and LIBOR rates. 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 non-convertible debentures and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The table in 6.1 provides a break-up of the Company's fixed and floating rate borrowings:

### 6.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table provides a break-up of the Company's fixed and floating rate borrowings and interest rate sensitivity analysis.

(₹ in crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Gross amount (₹ in crores)	Interest rate sensitivity @0.50% (₹ in crores)	Gross amount (₹ in crores)	Interest rate sensitivity @0.50% (₹ in crores)
Fixed loan	561.60	-	890.16	-
Variable loan	4,881.77	24.41	3,245.24	16.23
<b>Total</b>	<b>5,443.37</b>	<b>24.41</b>	<b>4,135.40</b>	<b>16.23</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

### 7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to the above mentioned company did not exceed 10% of gross monetary assets at any time during the year.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

#### 7.1 Collateral held as security and other credit enhancements

The Company does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

### 8 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(₹ in crores)

Particulars	As at March 31, 2018				As at March 31, 2017			
	< 1 year	1-5 years	> 5 years	Total	< 1 year	1-5 years	> 5 years	Total
<b>Financial assets</b>								
<b>Non-current</b>								
Investments	-	-	16.79	16.79	-	-	11.69	11.69
Loans	-	8.84	-	8.84	-	5.47	-	5.47
<b>Total non-current financial assets</b>	-	<b>8.84</b>	<b>16.79</b>	<b>25.63</b>	-	<b>5.47</b>	<b>11.69</b>	<b>17.16</b>
<b>Current</b>								
Investments	0.63	-	-	0.63	18.43	-	-	18.43
Trade receivables	550.24	-	-	550.24	478.09	-	-	478.09
Cash and cash equivalents	96.50	-	-	96.50	633.20	-	-	633.20

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	As at March 31, 2018				As at March 31, 2017			
	< 1 year	1-5 years	> 5 years	Total	< 1 year	1-5 years	> 5 years	Total
Bank balances other than cash and cash equivalents	107.05	-	-	107.05	70.91	-	-	70.91
Loans	60.35	-	-	60.35	270.37	-	-	270.37
<b>Total current financial assets</b>	<b>814.77</b>	<b>-</b>	<b>-</b>	<b>814.77</b>	<b>1,471.00</b>	<b>-</b>	<b>-</b>	<b>1,471.00</b>
<b>Total financial assets</b>	<b>814.77</b>	<b>8.84</b>	<b>16.79</b>	<b>840.40</b>	<b>1,471.00</b>	<b>5.47</b>	<b>11.69</b>	<b>1,488.16</b>
<b>Financial liabilities</b>								
<b>Non-current</b>								
Borrowings	-	2,646.18	1,587.45	4,233.63	-	2,412.40	1,225.24	3,637.64
<b>Total non-current financial liabilities</b>	<b>-</b>	<b>2,646.18</b>	<b>1,587.45</b>	<b>4,233.63</b>	<b>-</b>	<b>2,412.40</b>	<b>1,225.24</b>	<b>3,637.64</b>
<b>Current</b>								
Borrowings	822.18	-	-	822.18	318.17	-	-	318.17
Trade payables	280.47	-	-	280.47	198.40	-	-	198.40
Other financial liabilities	588.01	-	-	588.01	254.34	-	-	254.34
<b>Total current financial liabilities</b>	<b>1,690.66</b>	<b>-</b>	<b>-</b>	<b>1,690.66</b>	<b>770.91</b>	<b>-</b>	<b>-</b>	<b>770.91</b>
<b>Total financial liabilities</b>	<b>1690.66</b>	<b>2,646.18</b>	<b>1,587.45</b>	<b>5924.29</b>	<b>770.91</b>	<b>2,412.40</b>	<b>1,225.24</b>	<b>4408.55</b>

## 9 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets. Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

(₹ in crores)

Particulars	Fair values as at March 31, 2018	Fair values as at March 31, 2017	Level*	Valuation technique and key inputs
<b>Financial assets</b>				
<b>Non-current investments</b>				
<b>Investment in unquoted equity instruments</b>				
BVM Finance Pvt Ltd	13.67	8.54	3	Net assets method was used to capture the present value of the expected future economic benefits that will flow to the entity due to the investments.
Sintex Oil and Gas Ltd	0.05	0.05	3	
Healwell International Ltd	3.00	3.00	3	
Sixvents Power and Engineering Ltd	0.01	0.01	3	
<b>Investment in quoted equity instruments</b>				
Dena Bank	0.06	0.09	1	Quoted bid prices in an active market
<b>Current investments</b>				
Investments in Mutual funds	0.63	18.43	1	Quoted bid prices in an active market

\*There were no transfers between Level 1 and Level 3 during the period.

## 42 Income taxes

### a. Income taxes recognised in Statement of Profit and Loss

(₹ in crores)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>Current tax</b>		
In respect of the current year	36.31	24.64
Short/(Excess) provision of tax for earlier years	(32.24)	2.25
<b>Deferred tax</b>		
In respect of the current year	31.67	(23.17)
<b>Total income tax expense recognised in Statement of Profit and Loss</b>	<b>35.74</b>	<b>3.72</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

### b. Tax reconciliation

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before taxes	171.72	131.20
Enacted tax rate in India	34.608%	34.608%
Expected income tax benefit/(expense) at statutory tax rate	(59.43)	(45.41)
<b>Effect of:</b>		
(i) Investment allowance tax credits	-	9.72
(ii) Tax effect on non -deductible expenses	(3.30)	(3.25)
(iii) Effect of income which is taxed at special rates	0.42	0.30
(iv) Others (Forex effect)	1.95	5.05
(v) Reversal of MAT Credit recognised in earlier years	(13.47)	-
(vi) (Short)/Excess Provision for tax of earlier years	32.24	(2.25)
(vii) Permanent difference in nature of Assets/Demerger effect	5.85	32.12
<b>Income taxes recognised in the Statement of Profit and Loss</b>	<b>(35.74)</b>	<b>(3.72)</b>

The tax rate used for the 2017-18 and 2016-17 reconciliations above is the corporate tax rate of 30% plus surcharge @ 12% and cess @ 3% payable by corporate entities in India on taxable profits under the Indian tax laws.

### c. Income tax recognised directly in equity

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Deferred tax</b>		
Arising on transactions with owners:		
Initial recognition of the equity component of compounded financial instrument (FCCBs)	65.92	65.92
Conversion of portion of convertible financial instrument (FCCBs) into equity	(56.95)	(17.70)
<b>Total income tax recognised directly in equity</b>	<b>8.97</b>	<b>48.22</b>

### d. Income tax recognised in other comprehensive income

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Deferred tax</b>		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(0.04)	(0.03)
<b>Total income tax recognised in other comprehensive income</b>	<b>(0.04)</b>	<b>(0.03)</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:-</b>		
Items that will not be reclassified to Statement of Profit and Loss	(0.04)	(0.03)
Items that will be reclassified to Statement of Profit and Loss	-	-
	<b>(0.04)</b>	<b>(0.03)</b>

### e. Components of Deferred Tax (charge)/benefit for the year

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(i) Depreciation and amortisation	171.25	29.49
(ii) Unabsorbed depreciation	(105.73)	(42.51)
(iii) Disallowances under Income Tax	0.54	5.29
(iv) Provision of bad and doubtful debts	0.22	3.92
(v) Others	(8.08)	4.99
(vi) MAT Credit Taken	(26.53)	(24.34)
<b>Total deferred tax for the year</b>	<b>31.67</b>	<b>(23.17)</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

### f. Components of deferred tax assets and liabilities

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(a) Deferred tax liabilities</b>		
(i) Difference between book and tax depreciation	567.66	396.41
(ii) Recognition of equity component of financial instruments (FCCBs) (Refer (c) above)	8.97	48.22
(iii) Related to Ind AS Adjustment	0.68	6.37
<b>Total Deferred Tax Liabilities (A)</b>	<b>577.31</b>	<b>451.00</b>
<b>(b) Deferred tax assets</b>		
(i) Disallowances under Income Tax	6.92	7.46
(ii) Provision for doubtful debts & advances	0.07	0.29
(iii) Unabsorbed depreciation	216.11	110.38
(iv) Minimum Alternate Tax	273.85	247.32
(v) Demerger/Retreatment Compensation expense as per section 35DD	2.43	0.04
<b>Total Deferred Tax Assets (B)</b>	<b>499.38</b>	<b>365.49</b>
<b>Total (A-B)</b>	<b>77.93</b>	<b>85.51</b>

- g. The Company has following unused tax losses which arisen on incurrance of capital losses under the Income Tax Act, 1961 for which no deferred tax assets has been recognised in the balance sheet.

(₹ in crores)

Financial Year	As at March 31, 2018	Expiry date
2010-11	3.72	31-3-2020
2011-12	3.56	31-3-2021
2013-14	55.75	31-3-2023
2015-16	0.23	31-3-2025

- 43 The Company has spent ₹9.49 crore (Previous Year ₹9.40 crore) towards schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013.

I Gross amount required to be spent by the Company during the year ₹10.06 crore (Previous Year ₹12.11 crores)

II. Amount spent during the year on:

Particulars	(₹ in crores)
i) Construction/Acquisition of any asset	-
	(-)
ii) For purposes other than (i) above	9.49
	(9.40)

[figures in brackets pertain to 2016-17]

### 44 Earnings per share

(Amount in ₹)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic Earnings per share	2.37	2.62
<b>Total basic earnings per share</b>	<b>2.37</b>	<b>2.62</b>
Diluted Earnings per share	2.37	2.62
<b>Total diluted earnings per share</b>	<b>2.37</b>	<b>2.62</b>

#### Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the year attributable to owners of the Company (₹ in crores)	135.98	127.48
<b>Earnings used in the calculation of basic earnings per share (₹ in crores)</b>	<b>135.98</b>	<b>127.48</b>
Weighted average number of equity shares for the purposes of basic earnings per share	57,28,57,921	48,66,19,681
Earnings per share - Basic (₹)	2.37	2.62



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

### Diluted earnings per share

The earnings used in calculation of diluted earnings per share are as follows.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Earnings used in the calculation of diluted earnings per share (₹ in crores)	135.98	127.48
<b>Earnings used in the calculation of diluted earnings per share (₹ in crores)</b>	<b>135.98</b>	<b>127.48</b>
Weighted average number of equity shares for the purposes of basic earnings per share	57,28,57,921	48,66,19,681
Earnings per share- Diluted (₹)	2.37	2.62

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Weighted average number of equity shares used in the calculation of basic earnings per share	57,28,57,921	48,66,19,681
Shares deemed to be issued for no consideration in respect of:		
a. Employee options	-	-
b. Partly paid equity shares	-	-
c. Convertible bonds	-	-
<b>Weighted average number of equity shares used in the calculation of Diluted EPS</b>	<b>57,28,57,921</b>	<b>48,66,19,681</b>

Note: There are potential equity shares issued by the Company which are anti-dilutive in its nature.

45 In respect of overseas direct investment (ODI) made by the company in the earlier years in erstwhile wholly owned subsidiary, the Directorate of Enforcement, Department of Revenue, Ministry of Finance, Government of India has held that the end-use of such funds made by the then foreign subsidiary company is in contravention of the provisions of Section 4 of the Foreign Exchange Management Act (FEMA), 1999 and has, therefore, vide its Seizure Order dated 15th December, 2017 attached the immovable property of the company by way of certain unencumbered open plots of land admeasuring in aggregate about 1,27,851.50 sq. metres having aggregate cost of Rs. 3.69 Crores as per books of accounts of the company. The company strongly believes that it has not contravened provisions of FEMA as alleged in the seizure order and is, therefore, taking appropriate steps under the law. In the opinion of the management of the Company all the activities carried out by the then foreign subsidiary are in compliance with the ODI route under FEMA read with the relevant rules and regulations. The Company's management is confident of successful outcome from the proceedings. Therefore, no accounting adjustments have been made in the books of accounts of the Company in this regard.

### 46 Operating lease arrangements

#### The Company as lessee

Leasing arrangements

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Office premises	2.54	2.15
<b>Total</b>	<b>2.54</b>	<b>2.15</b>

The lease agreements are executed for a period of 12 months with a renewal clause.

47 Interest on borrowings is net of interest subsidy of ₹134.40 crores (Previous Year ₹129.52 crore)

48 On introduction of Goods & Service Tax (GST) w.e.f. 1st July, 2017, in accordance with the Textile Policy of Government of Gujarat, income by way of subsidy/benefit in respect of GST has also been accounted for as the management of the Company strongly believes that GST (both SGST & CGST) shall also be entitled for subsidy/benefit as envisaged in the Policy.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## 49 Commitments

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	292.00	215.00
<b>Total</b>	<b>292.00</b>	<b>215.00</b>

## 50 Contingent liabilities

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
a. Company has imported machineries duty free under EPCG Scheme for which duty saved amount *	398.07	323.49
b. Disputed demand not acknowledged as debt against which the Company has preferred appeal	33.45	18.80
<b>Total</b>	<b>431.52</b>	<b>342.29</b>

\* Against duty saved of ₹398.07 crore (Previous Year ₹323.49 crores) company has export obligation of ₹2,388 crore (Previous year ₹1,114.58 crore) out of which company has already completed export obligation of ₹1,355.00 crore (Previous Year ₹403.17 crore) for which company has applied for Export obligation discharge certificate to concerned licensing authority.

(₹ in crores)

Disputed demand not acknowledged as debt against which the Company has preferred appeal	As at March 31, 2018	As at March 31, 2017
Income Tax *	29.41	14.76
Service tax*	4.04	4.04
<b>Total</b>	<b>33.45</b>	<b>18.80</b>

\*The amount deposited with the authority in respect of above Income Tax and Service Tax demands of ₹29.41 crores (previous year ₹14.76 crores) and ₹4.04 crores (previous year ₹4.04 crores) respectively

## 51 Contingent assets

The are no contingent assets recognised as at March 31, 2018.

## 52 Approval of financial statements

The financial statements were approved for issue by the board of directors on 8th May, 2018.

In terms of our Reports attached

For **Shah & Shah Associates**  
Chartered Accountants  
(FRN:113742W)

**Vasant C. Tanna**  
Partner  
Membership Number: 100422

For and on behalf of Board of Directors

**Dinesh B. Patel, Chairman**  
(DIN : 00171089)

**Arun P. Patel, Vice Chairman**  
(DIN : 00830809)

**Amit D. Patel, Managing Director (Group)**  
(DIN : 00171035)

**Sunil Kumar Kanojia, Director**  
(DIN : 00490259)

**Prashant D. Shah**  
Head – Accounts, Audit & CFO

**Lavkumar Kantilal Shah, Director**  
(DIN : 01572788)

**Maitri Mehta, Director**  
(DIN : 07549243)

**Narendra Kumar Bansal, Director**  
(DIN : 03086069)

**Rajesh B. Parikh, Director**  
(DIN : 00171231)

**Hitesh T. Mehta**  
Company Secretary

Place: Ahmedabad  
Date : May 8, 2018

Place: Ahmedabad  
Date : May 8, 2018

# CONSOLIDATED FINANCIAL STATEMENTS

# Independent Auditors' Report

The Members of  
**SINTEX INDUSTRIES LIMITED**

## Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **SINTEX INDUSTRIES LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") which comprises of the consolidated Balance Sheet as at 31st March, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Statement of Cash Flow for the year then ended and the Statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "consolidated Ind AS financial statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 Group 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be

included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncement issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated state of affairs of the Group as at 31st March, 2018, and their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated changes in equity for the year ended on that date.

## Other Matter

We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 275.02 crores as at 31st March, 2018, total revenues of Rs.866.02 crores, total

comprehensive income of Rs.5.86 crores and net increase in cash flows amounting to Rs.0.05 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. 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 maintained by the Holding Company and its subsidiary included in the Group including relevant records relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the report of the other auditors.
  - c) The consolidated financial statements dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e) On the basis of written representations received from

the directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2018, 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 over financial reporting of the Holding Company and its subsidiary 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 Rules 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 consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group.
  - (ii) The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For **Shah & Shah Associates**  
Chartered Accountants  
FRN:113742W

**Vasant C. Tanna**  
Partner

Place : Ahmedabad  
Date : 8th May, 2018

Membership Number: 100422

## "Annexure A" to the Independent Auditor's Report

### (Referred to in paragraph 1(f) under "Report on other legal and regulatory requirements" of our report of even date).

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act").

We have audited the Internal Financial Control over financial reporting of **SINTEX INDUSTRIES LIMITED** ("the Holding Company") as of 31st March, 2018 in conjunction with our audit of the consolidated financial statements of the Holding Company and its subsidiary company incorporated in India as of that date.

### Management Responsibility for the Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company which is a company incorporated in India, are 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 the 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- (ii) 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 authorizations of management and directors of the company; and

- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company and its subsidiary company which are incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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 ICAI.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to a subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the other auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For **Shah & Shah Associates**  
Chartered Accountants  
FRN:113742W

**Vasant C. Tanna**  
Partner

Place : Ahmedabad  
Date : 8th May, 2018

Membership Number: 100422

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

(₹ in crores)

Particulars	Note	As at 31st March, 2018	As at 31st March, 2017
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	5,875.86	3,761.09
(b) Capital work-in-progress		2,349.64	2,493.23
(c) Intangible assets	5	4.19	0.68
(d) Financial assets			
(i) Investments	7	16.79	11.69
(ii) Loans	8	8.94	5.47
(e) Deferred tax assets	22	2.21	-
(f) Other non-current assets	9	241.49	228.16
(g) Non-current tax assets (net)	10	34.59	-
<b>Total non-current assets</b>		<b>8,533.71</b>	<b>6,500.32</b>
<b>Current assets</b>			
(a) Inventories	11	629.56	206.71
(b) Financial assets			
(i) Investments	12	0.63	18.43
(ii) Trade receivables	13	667.72	627.02
(iii) Cash and cash equivalents	14	107.34	643.99
(iv) Bank balances other than (iii) above	15	107.05	70.91
(v) Loans	16	60.60	270.37
(c) Other current assets	17	579.90	281.24
<b>Total current assets</b>		<b>2,152.80</b>	<b>2,118.67</b>
<b>TOTAL ASSETS</b>		<b>10,686.51</b>	<b>8,618.99</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity attributable to owners of the Parent			
(a) Equity share capital	18	59.41	54.47
(b) Other equity	19	4,350.83	3,859.26
<b>Total equity</b>		<b>4,410.24</b>	<b>3,913.73</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	4,233.63	3,637.64
(b) Provisions	21	12.96	13.18
(c) Deferred tax liabilities (Net)	22	78.15	85.51
<b>Total non-current liabilities</b>		<b>4,324.74</b>	<b>3,736.33</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	23	887.41	331.52
(ii) Trade payables	24	288.16	290.59
(iii) Other financial liabilities	25	767.10	318.16
(b) Other current liabilities	26	5.09	17.40
(c) Provisions	27	3.77	3.26
(d) Current tax liabilities (Net)	28	-	8.00
<b>Total current liabilities</b>		<b>1,951.53</b>	<b>968.93</b>
<b>Total liabilities</b>		<b>6,276.27</b>	<b>4,705.26</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,686.51</b>	<b>8,618.99</b>

See accompanying notes 1 to 53 to the consolidated financial statements

In terms of our Reports attached

For **Shah & Shah Associates**  
Chartered Accountants  
(FRN:113742W)

**Vasant C. Tanna**  
Partner  
Membership Number: 100422

Place: Ahmedabad  
Date : May 8, 2018

For and on behalf of Board of Directors

**Dinesh B. Patel, Chairman**  
(DIN : 00171089)

**Arun P. Patel, Vice Chairman**  
(DIN : 00830809)

**Amit D. Patel, Managing Director (Group)**  
(DIN : 00171035)

**Sunil Kumar Kanojia, Director**  
(DIN : 00490259)

**Prashant D. Shah**  
Head – Accounts, Audit & CFO

Place: Ahmedabad  
Date : May 8, 2018

**Lavkumar Kantil Shah, Director**  
(DIN : 01572788)

**Maitri Mehta, Director**  
(DIN : 07549243)

**Narendra Kumar Bansal, Director**  
(DIN : 03086069)

**Rajesh B. Parikh, Director**  
(DIN : 00171231)

**Hitesh T. Mehta**  
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in crores)

Particulars	Note	For the year ended 31st March, 2018	For the year ended 31st March, 2017
I Revenue from operations	29	2,872.68	1,921.32
II Other Income	30	148.91	97.16
<b>III Total Income (I+II)</b>		<b>3,021.59</b>	<b>2,018.48</b>
<b>Expenses:</b>			
(a) Cost of materials consumed	31	1,303.04	899.88
(b) Purchases of stock-in-trade	32	961.50	491.41
(c) Changes in inventories of finished goods and work-in-progress	33	(170.17)	(23.33)
(d) Employee benefits expense	34	146.89	95.92
(e) Finance costs	35	114.04	93.32
(f) Depreciation and amortisation expense	6	142.16	132.22
(g) Other expenses	36	343.86	187.51
<b>IV Total expenses</b>		<b>2,841.32</b>	<b>1,876.93</b>
<b>V Profit before tax (III-IV)</b>		<b>180.27</b>	<b>141.55</b>
<b>VI Tax expense:</b>			
(a) Current tax		41.21	28.22
(b) Short/(Excess) provision of tax for earlier years		(32.24)	2.25
(c) Deferred tax		29.46	(23.17)
		38.43	7.30
<b>VII Profit after tax for the year (V-VI)</b>		<b>141.84</b>	<b>134.25</b>
Other comprehensive income			
A (i) Items that will not be reclassified to Statement of Profit and Loss			
(a) Equity instruments through other comprehensive income		5.10	1.04
(b) Remeasurement of the defined benefit plans		0.12	0.08
(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss		(0.04)	(0.03)
B (i) Items that will be reclassified to Statement of Profit and Loss		-	-
(ii) Income tax relating to items that will be reclassified to Statement of Profit and Loss		-	-
<b>VIII Other Comprehensive Income for the year (A(i)+(ii)+B(i)+(ii))</b>		<b>5.18</b>	<b>1.09</b>
<b>IX Total Comprehensive income for the year (VII+VIII)</b>		<b>147.02</b>	<b>135.34</b>
<b>X Earnings per share (Face value of ₹ 1 each)</b>			
(a) Basic (in ₹)	37	2.48	2.76
(b) Diluted (in ₹)	37	2.48	2.76

See accompanying notes 1 to 53 to the consolidated financial statements

In terms of our Reports attached

For **Shah & Shah Associates**  
Chartered Accountants  
(FRN:113742W)

**Vasant C. Tanna**  
Partner  
Membership Number: 100422

Place: Ahmedabad  
Date : May 8, 2018

For and on behalf of Board of Directors

**Dinesh B. Patel, Chairman**  
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(DIN : 00171231)

**Hitesh T. Mehta**  
Company Secretary



# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A. Cash flow from operating activities</b>		
Net profit before tax	180.27	141.55
<b>Adjustments for:</b>		
Profit on sale of investments	(1.11)	(0.87)
Fair value (gain)/loss	(0.11)	(1.82)
Interest income	(22.77)	(30.75)
Depreciation and amortisation expenses	142.16	132.22
Finance cost	114.04	93.32
Loss/(gain) on sale/ impairment of property, plant and equipment	(6.00)	0.07
<b>Operating profit before working capital changes</b>	<b>406.48</b>	<b>333.72</b>
<b>Adjustments for increase/decrease in Operating Assets/ Liabilities:</b>		
Trade receivables, loans and other assets	(127.83)	140.77
Inventories	(422.85)	(152.60)
Trade payables, other liabilities and provisions	213.94	330.17
<b>Cash generated from operations</b>	<b>69.74</b>	<b>652.06</b>
Direct taxes paid (Net)	(51.56)	(89.25)
<b>Net cash generated from operations activities (A)</b>	<b>18.18</b>	<b>562.81</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment/addition to capital-work-in progress	(2,138.46)	(2,719.29)
Sale of fixed assets	14.27	0.87
(Purchase)/sale of current investments	19.02	0.89
(Purchase)/sale of non-current investments	-	(3.95)
Interest received	18.31	30.75
Bank deposits received/( placed )	(36.14)	(40.46)
<b>Net cash used in investing activities (B)</b>	<b>(2,123.00)</b>	<b>(2,731.19)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from share capital	-	688.04
Proceeds from long term borrowings	1,317.98	1,537.14
Repayments from long term borrowings	(187.08)	(60.06)
Net increase/(decrease) in working capital borrowings	555.89	304.18
Finance cost	(101.52)	(93.32)
Dividend paid	(17.10)	(37.62)
<b>Net cash generated from financing activities (C)</b>	<b>1,568.17</b>	<b>2,338.36</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(536.65)</b>	<b>169.98</b>
Cash and cash equivalents at the beginning of the year	643.99	709.37
Transfer due to demerger scheme	-	(235.36)
<b>Cash and cash equivalents at the end of the year</b>	<b>107.34</b>	<b>643.99</b>

In terms of our Reports attached

For **Shah & Shah Associates**  
Chartered Accountants  
(FRN:113742W)

**Vasant C. Tanna**  
Partner  
Membership Number: 100422

Place: Ahmedabad  
Date : May 8, 2018

For and on behalf of Board of Directors

**Dinesh B. Patel, Chairman**  
(DIN : 00171089)

**Arun P. Patel, Vice Chairman**  
(DIN : 00830809)

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(DIN : 00490259)

**Prashant D. Shah**  
Head – Accounts, Audit & CFO

Place: Ahmedabad  
Date : May 8, 2018

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(DIN : 01572788)

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(DIN : 07549243)

**Narendra Kumar Bansal, Director**  
(DIN : 03086069)

**Rajesh B. Parikh, Director**  
(DIN : 00171231)

**Hitesh T. Mehta**  
Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

## A. Equity share capital

Particulars	(₹ in crores)
<b>Balance as at 1st April, 2016</b>	<b>44.66</b>
Changes in equity share capital during the year	9.81
<b>Balance as at 1st April, 2017</b>	<b>54.47</b>
Changes in equity share capital during the year	4.94
<b>Balance as at March 31, 2018</b>	<b>59.41</b>

## B. Other equity

Particulars	Reserves and surplus					Item of Other Comprehensive income				Total				
	Capital reserve	Capital redemption reserve	Securities premium reserve	Debt redemption reserve	Stock Reserve	Equity component of compound financial instruments (FCCBs)	General reserve	Retained earnings	Foreign Currency Translation Reserve		Equity instruments through other comprehensive income	Remeasurement of defined benefit plan	Total Equity Attributable to the Owners	Non Controlling Interest
Balance as at April 01, 2016	47.80	15.05	1,714.02	120.02	-	-	449.05	3,087.45	78.05	(1.19)	(1.07)	5,509.18	2.07	5,511.25
Profit for the year	-	-	-	-	-	-	-	134.25	-	-	-	134.25	-	134.25
Other comprehensive loss for the year, net of income tax	-	-	-	-	-	-	-	-	-	1.04	0.05	1.09	-	1.09
<b>Total comprehensive income/ (loss) for the year</b>	-	-	-	-	-	-	<b>134.25</b>	<b>134.25</b>	-	<b>1.04</b>	<b>0.05</b>	<b>135.34</b>	-	<b>135.34</b>
Transfer on account of demerger (Refer note 38)	(47.80)	(15.05)	(1,714.02)	-	-	-	(111.74)	(550.33)	(78.05)	-	-	(2,516.99)	(2.07)	(2,519.06)
Amount received from right issue (Net of right issue expenses ₹3.57 crore)	-	-	488.74	-	-	-	-	-	-	-	-	488.74	-	488.74
Transfer to reserve	-	-	-	(63.85)	-	-	91.27	(27.42)	-	-	-	-	-	-
Equity Component for Issue of FCCBs	-	-	-	-	-	91.12	-	-	-	-	-	91.12	-	91.12
On conversion of FCCBs	-	-	189.49	-	-	-	-	-	-	-	-	189.49	-	189.49
Payment of dividends (including tax on dividend)	-	-	-	-	-	-	(37.62)	-	-	-	-	(37.62)	-	(37.62)
<b>Balance as at March 31, 2017</b>	-	-	<b>678.23</b>	<b>56.17</b>	-	<b>91.12</b>	<b>428.58</b>	<b>2,606.33</b>	-	<b>(0.15)</b>	<b>(1.02)</b>	<b>3,859.26</b>	-	<b>3,859.26</b>
Profit for the year	-	-	-	-	-	-	141.84	-	-	-	-	141.84	-	141.84
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	5.10	0.08	5.18	-	5.18
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-	<b>141.84</b>	<b>141.84</b>	-	<b>5.10</b>	<b>0.08</b>	<b>147.02</b>	-	<b>147.02</b>
Transfer to reserve	-	-	-	27.43	-	-	(27.43)	-	-	-	-	-	-	-
On conversion of FCCBs	-	-	437.78	-	-	(76.58)	-	-	-	-	-	361.20	-	361.20
Reserve on unrealised profit	-	-	-	-	0.52	-	-	-	-	-	-	0.52	-	0.52
Payment of dividends (including tax on dividend)	-	-	-	-	-	-	(17.17)	-	-	-	-	(17.17)	-	(17.17)
<b>Balance as at March 31, 2018</b>	-	-	<b>1,116.01</b>	<b>83.60</b>	<b>0.52</b>	<b>14.54</b>	<b>428.58</b>	<b>2,703.57</b>	-	<b>4.95</b>	<b>(0.94)</b>	<b>4,350.83</b>	-	<b>4,350.83</b>

In terms of our Reports attached For and on behalf of Board of Directors

**For Shah & Shah Associates**  
Chartered Accountants  
(FRN:113742W)

**Vasant C. Tanna**  
Partner

Membership Number: 100422

Place: Ahmedabad  
Date: May 8, 2018

**Dinesh B. Patel, Chairman**  
(DIN: 00171089)

**Sunil Kumar Kanojia, Director**  
(DIN: 00490259)

**Narendra Kumar Bansal, Director**  
(DIN: 03086069)

**Hitesh T. Mehta**  
Company Secretary

Place: Ahmedabad  
Date: May 8, 2018

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**Amit D. Patel, Managing Director (Group)**  
(DIN: 00171035)

**Maitri Mehta, Director**  
(DIN: 07549243)

**Prashant D. Shah**  
Head – Accounts, Audit & CFO

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## 1. General Information

Sintex Industries Limited ("the Company") is primarily engaged in the business of manufacture and sale of yarn and structured fabrics.

Sintex Industries Limited is a public limited company incorporated in India on June 01, 1931 under the Companies Act, 1956 and listed on the Bombay Stock Exchange and National Stock Exchange. The registered office of the Company is at Kalol (North Gujarat) – 382 721, India. The Textile Division of the company is situated at Kalol (N.G) and its Yarn Division is situated at Village Lunsapur, Talu: Jafrabad, Dist: Amreli.

The consolidated financial statements comprise financial statements of the company and its subsidiary (collectively, the Group) for the year ended March 31, 2018. The principal activities of the subsidiary are described in note 40.

## 2. Significant Accounting policies

### I. Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

### II. Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the group takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1, 2, or 3 based

on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, that are quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### III. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company and its subsidiary. Control is achieved where the Company:

- has power over the investee
- is exposed to, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an entity are sufficient to give it power.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## IV. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for the estimated customer returns, rebates and other similar allowances.

### Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Group recognizes revenues on sale of products, net of discounts, sales incentives, rebates granted, returns, sales taxes, Goods and Service tax and duties when the products are delivered to customer or when delivered to a carrier for export sale, which is when title and risk and rewards of ownership pass to the customer. Sale of products is presented gross of manufacturing taxes like excise duty wherever applicable.

### Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest

rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

## V. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### The Group as a lessor

Amount due from the lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

### The Group as a lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term unless either:

- a. another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

- b. the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

### VI. Foreign currency translations

The functional currency of the Company and its subsidiary has been determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is INR.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

The Company has decided to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the standalone financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP i.e. exchange differences relating to long term foreign currency monetary items in so far as they relate to acquisition of depreciable capital assets is adjusted to the cost of such capital asset and depreciated over the balance useful life of such asset.

### VII. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### VIII. Employee Benefits

#### Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item employee benefits expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

#### Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the

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undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

## IX. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws in the countries where the Group operates and generates taxable income.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to

the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets on non-depreciable assets the carrying amounts of such properties are presumed to be recovered entirely through sale.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as a deferred tax asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

### Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they are relating to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

## X. Property, plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates,

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any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalized as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Assets in the course of construction are capitalized in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed. Revenue generated from production during the trial period is capitalized.

### XI. Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated Amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and Amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

### XII. Depreciation and amortization

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is provided on buildings and plant & machinery on a straight-line method and in case of other tangible assets, on written-down value method over

the estimated useful lives of the assets as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for plant and machinery. In respect of plant and machinery, the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The useful lives of plant and machinery has been estimated as 22 years and 30 years for different categories as technically determined.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Intangible assets are amortized over their estimated useful lives on straight line method. The amortization rates used for intangible assets are as under:

Class of assets	Years
Software	5 years

Freehold land is not depreciated. Leasehold land is amortized over the period of the lease, except where the lease is convertible to freehold land under lease agreements at future dates at no additional cost.

The Group reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

### XIII. Impairment of non-current assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the

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asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## XIV. Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, traded goods and stores and spares are ascertained on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

## XV. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and

uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## XVI. Financial Instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit and Loss are recognised immediately in Statement of Profit and Loss.

### A. Financial assets

#### a) Recognition and initial measurement

- i) The Group initially recognizes loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.
- ii) In case of investments in subsidiary, joint ventures and associates the Company has chosen to measure its investments at deemed cost.
- iii) The Company has elected to apply the requirements pertaining to Level III financial instruments of deferring the difference between the fair value at initial recognition and the transaction price prospectively to transactions entered into on or after the date of transition to Ind AS.



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### b) Classification

On initial recognition, a financial asset is classified as measured at; amortized cost, FVOCI or FVTPL

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR Amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 13. A debt instrument is classified as FVOCI only if it meets both the of the following conditions and is not recognised at FVTPL;

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

All equity investments in scope of Ind AS 109 are

measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

### c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the group has transferred substantially all the risks and rewards of the asset, or (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

## d) Impairment

### Impairment of financial assets

In accordance with Ind AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- b) Financial assets that are debt instruments and are measured as at FVTOCI
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18 (referred to as 'contractual revenue receivables' in these illustrative financial statements)
- e) Loan commitments which are not measured as at FVTPL
- f) Financial guarantee contracts which are not measured as at FVTPL

The group follows 'simplified approach' for recognition of impairment loss allowance on:

- I) Trade receivables or contract revenue receivables; and
- II) All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L. The balance sheet presentation for various financial instruments is described below:

- i) Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.
- ii) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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- iii) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

## e) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

## B. Financial liabilities and equity instruments

### a) Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

### c) Financial liabilities

Financial liabilities are classified as either financial liabilities

'at FVTPL' or 'other financial liabilities'.

### Financial liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the consolidated [statement of comprehensive income/Statement of Profit and Loss].

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in Statement of Profit and Loss.

### d) Derivative financial instruments

The Group has entered into forward exchange contracts or principal only swap which are in substance of forward exchange contracts to manage its exposure to foreign currency cash flows.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period.

### e) Reclassification of financial assets

The group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to the group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

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The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortized cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortized cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortized cost	Fair value at reclassification date becomes its new amortized cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortized cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

## XVII. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts.

## XVIII. Earnings per share

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding. Diluted earnings per share is computed by dividing income available to shareholders and assumed conversion by the weighted average number of common shares and potential common shares from outstanding stock options.

## XIX. Government grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Grants of the State and Central Government which are intended to compensate a specified percentage of the interest on borrowings are netted off against the related interest expenditure on borrowings.

Government grants whose primary condition is that Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss in the period in which they become receivable.

## 3. Critical Judgements in applying accounting policies and key sources of estimation uncertainty

### 3.1 Critical judgements in applying accounting policies

In the course of applying the policies outlined in all notes under section 2 above, the directors of the Company are required to make judgements, estimates and assumptions

about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

### 3.2 Key sources of estimation uncertainty

- i) Useful lives and residual value of property, plant and equipment  
Group reviews the useful lives and residual values of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, useful lives are reviewed annually using the best information available to the Management.
- ii) Fair value measurements and valuation process  
Management uses its judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied. Other financial instruments are valued using a discounted cash flow method based on assumptions supported, where possible, by observable market prices or rates. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 43.

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## 4 Property, Plant and Equipment

(₹ in crores)

Particulars	Freehold land	Leasehold land	Buildings	Plant and machinery	Furniture, fixtures and Office equipments	Vehicles	Total
<b>Cost or deemed cost</b>							
<b>At April 01, 2016</b>	<b>412.07</b>	<b>5.06</b>	<b>781.90</b>	<b>6,529.45</b>	<b>17.56</b>	<b>27.45</b>	<b>7,773.49</b>
Additions	176.28	-	0.88	187.40	2.86	2.18	369.60
Transfers on account of demerger (Refer note 38)	(118.43)	(5.06)	(432.13)	(3,595.50)	(8.98)	(12.88)	(4,172.97)
Disposals	-	-	-	(0.68)	-	(1.04)	(1.72)
<b>At March 31, 2017</b>	<b>469.93</b>	<b>-</b>	<b>350.65</b>	<b>3,120.67</b>	<b>11.44</b>	<b>15.71</b>	<b>3,968.40</b>
Additions	1.82	-	577.12	1,670.77	13.11	1.99	2,264.81
Disposals	-	-	-	(7.66)	-	(1.37)	(9.03)
<b>At March 31, 2018</b>	<b>471.75</b>	<b>-</b>	<b>927.77</b>	<b>4,783.78</b>	<b>24.55</b>	<b>16.33</b>	<b>6,224.18</b>
<b>Accumulated depreciation and impairment</b>							
<b>At April 01, 2016</b>	<b>-</b>	<b>0.12</b>	<b>35.96</b>	<b>296.07</b>	<b>4.44</b>	<b>6.62</b>	<b>343.21</b>
Transfers on account of demerger (Refer note 38)	-	(0.12)	(32.48)	(229.23)	(2.48)	(2.41)	(266.73)
Charged to Statement of Profit and Loss during the year	-	-	11.62	114.87	2.08	3.50	132.07
Disposals	-	-	-	(0.38)	-	(0.85)	(1.23)
<b>At March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>15.10</b>	<b>181.32</b>	<b>4.03</b>	<b>6.86</b>	<b>207.31</b>
Charged to Statement of Profit and Loss during the year	-	-	13.73	122.44	2.71	2.88	141.76
Disposals	-	-	-	(0.07)	-	(0.68)	(0.75)
<b>At March 31, 2018</b>	<b>-</b>	<b>-</b>	<b>28.83</b>	<b>303.69</b>	<b>6.74</b>	<b>9.06</b>	<b>348.32</b>
<b>Net book value</b>							
<b>At March 31, 2017</b>	<b>469.93</b>	<b>-</b>	<b>335.55</b>	<b>2,939.35</b>	<b>7.41</b>	<b>8.85</b>	<b>3,761.09</b>
<b>As at March 31, 2018</b>	<b>471.75</b>	<b>-</b>	<b>898.94</b>	<b>4,480.09</b>	<b>17.81</b>	<b>7.27</b>	<b>5,875.86</b>

4.1 Addition to Fixed Assets include Capitalisation of borrowing Cost pertaining to qualifying assets of ₹166.43 crore (Previous year ₹99.84 crore).

4.2 In case of freehold land, title deed/conveyance deed in respect of ₹116.05 crore in favour of the company is pending.

## 5 Other intangible assets

(₹ in crores)

Particulars	Technical knowhow	Computer software	Total
<b>Cost</b>			
<b>As at April 01, 2016</b>	<b>8.16</b>	<b>15.93</b>	<b>24.09</b>
Transfers on account of demerger (Refer note 38)	(8.16)	(15.32)	(23.48)
Additions	-	0.33	0.33
<b>As at March 31, 2017</b>	<b>-</b>	<b>0.94</b>	<b>0.94</b>
Additions	-	3.91	3.91
<b>As at March 31, 2018</b>	<b>-</b>	<b>4.85</b>	<b>4.85</b>
<b>Accumulated amortisation and impairment</b>			
<b>At April 1, 2016</b>	<b>0.64</b>	<b>3.48</b>	<b>4.12</b>
Transfer on account of demerger (Refer note 38)	(0.64)	(3.37)	(4.01)
Charged to Statement of Profit and Loss during the year	-	0.15	0.15

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in crores)

Particulars	Technical knowhow	Computer software	Total
<b>As at March 31, 2017</b>	-	<b>0.26</b>	<b>0.26</b>
Charged to Statement of Profit and Loss during the year	-	0.40	0.40
<b>As at March 31, 2018</b>	-	<b>0.66</b>	<b>0.66</b>
<b>Net book value</b>			
<b>As at March 31, 2017</b>	-	<b>0.68</b>	<b>0.68</b>
<b>As at March 31, 2018</b>	-	<b>4.19</b>	<b>4.19</b>

## 6 Depreciation and amortisation expense

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of Property, plant and equipment	141.76	132.07
Amortisation of intangible assets	0.40	0.15
<b>Total depreciation and amortisation</b>	<b>142.16</b>	<b>132.22</b>

## 7 Investments (non-current)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Investments (At cost)</b>		
<b>At fair value through other comprehensive income</b>		
<b>Investments in unquoted equity instruments - others:</b>		
BVM Finance Private Limited		
17,38,000 (previous year 17,38,000) shares of ₹10 each fully paid	13.67	8.54
Sintex Oil & Gas Limited		
50,000 (previous year 50,000) shares of ₹10 each fully paid	0.05	0.05
Healwell International Limited		
9,00,000 (previous year 9,00,000) shares of ₹10 each fully paid	3.00	3.00
Sixvents Power and Engineering Limited		
13,300 (previous year 13,300) shares of ₹10 each fully paid	0.01	0.01
<b>Investment in quoted equity instruments - others:</b>		
Dena Bank		
30,200 (previous year 30,200) shares of ₹10 each fully paid	0.06	0.09
<b>Total investments at fair value through other comprehensive income</b>	<b>16.79</b>	<b>11.69</b>
<b>Aggregate book value of quoted Investments</b>	<b>0.06</b>	<b>0.09</b>
<b>Aggregate market value of quoted investments</b>	<b>0.06</b>	<b>0.09</b>
<b>Aggregate carrying value of unquoted Investments</b>	<b>16.73</b>	<b>11.60</b>

## 8 Loans (non-current)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Security deposits and earnest money deposits	8.94	5.47
<b>Total</b>	<b>8.94</b>	<b>5.47</b>

## 9 Other non-current assets

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Capital advance	237.45	224.12
(b) Excise and service tax paid under protest	4.04	4.04
<b>Total</b>	<b>241.49</b>	<b>228.16</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## 10 Non-current tax assets (net)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Advance tax (net of provision for taxation)	34.59	-
<b>Total</b>	<b>34.59</b>	<b>-</b>

## 11 Inventories (At lower of cost and net realisable value)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Raw materials	378.48	128.60
(b) Work-in-progress	28.11	33.48
(c) Finished goods	100.04	39.17
(d) Traded goods	116.31	1.64
(e) Stores and spares	6.62	3.82
<b>Total</b>	<b>629.56</b>	<b>206.71</b>

The cost of inventories recognised as an expenses ₹2167.27 crores for the year ended March 31, 2017 ₹1402.79 crores.

## 12 Investments

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Current Investments at fair value through statement of Profit and Loss</b>		
<b>Non-trade, Unquoted</b>		
<b>Mutual funds</b>		
Nil (Previous year 18,728) units Templeton India Short Term Income Plan Inst.-G, face value of ₹1000	-	5.20
Nil (Previous Year 46,75,563) units Templeton India Income Opp. Fund- G, face value of ₹10	-	8.91
Nil (Previous Year 16,21,863) units Templeton India Law Duration Fund - G, face value of ₹10	-	2.99
5,22,312 (Previous Year 11,83,727) units Principal Assets Allocation Fund Conservative Plan - RSPG, face value of ₹10	0.63	1.33
<b>Total</b>	<b>0.63</b>	<b>18.43</b>

## 13 Trade receivables \*

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade receivables		
Unsecured, considered good	667.72	627.02
Doubtful	0.19	0.19
Less: Provision for doubtful trade receivables	(0.19)	(0.19)
<b>Total</b>	<b>667.72</b>	<b>627.02</b>

\* Note: The average credit period on sales of good is 0 to 180 days. Credit Risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 10% of the total balance of trade receivables.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## Movement in the expected credit loss allowance

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	-	5.44
Loss allowance calculated at lifetime expected credit losses	-	-
Transfer of expected credit loss on trade receivable pursuant to the demerger Scheme	-	(5.44)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

## 14 Cash and Cash Equivalents

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(A) Cash and Cash Equivalents</b>		
(a) Balance with banks	55.16	57.05
(b) Cash on hand	0.37	0.14
(c) Cheques, draft on hand	-	3.57
(d) Bank deposits with upto 3 months maturity	50.84	582.33
	<b>106.37</b>	<b>643.09</b>
<b>(B) Other bank balances</b>		
In earmarked accounts		
- Unclaimed dividend accounts	0.97	0.90
	<b>0.97</b>	<b>0.90</b>
<b>Total</b>	<b>107.34</b>	<b>643.99</b>

## 15 Bank Balances other than (14) above

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Other bank balances</b>		
Bank deposits having maturity beyond 3 months	107.05	70.91
<b>Total</b>	<b>107.05</b>	<b>70.91</b>

## 16 Loans (Current)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Unsecured, considered goods unless otherwise stated</b>		
(a) Security deposits & Earnest money deposits	1.29	5.79
(b) Other loans (Refer Note Below)	59.31	264.58
<b>Total</b>	<b>60.60</b>	<b>270.37</b>

Note: This includes ₹52.89 crores (previous year ₹48.94 crores) due from Sintex Oil & Gas Limited which is guaranteed by a promoter group company.

## 17 Other current assets (Unsecured, considered good)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Export Incentive receivables	0.46	0.50
(b) Advance recoverable in cash or kind	52.48	41.45
(c) Prepaid expenses	7.15	1.82
(d) Balances with government authorities	97.28	80.01
(e) Subsidies receivables	416.56	155.94
(f) Interest receivables	5.97	1.52
<b>Total</b>	<b>579.90</b>	<b>281.24</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## 18 Equity Share capital

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Authorised</b>		
65,00,00,000 (previous year 65,00,00,000) Equity Shares of ₹1 each	65.00	65.00
<b>Total</b>	<b>65.00</b>	<b>65.00</b>
<b>Issued</b>		
59,41,26,888 (previous year 54,47,27,754) Equity Shares of ₹1 each	59.41	54.47
<b>Total</b>	<b>59.41</b>	<b>54.47</b>
<b>Subscribed and fully paid up</b>		
59,40,95,088 (previous year 54,46,95,954) Equity Shares of ₹1 each	59.41	54.47
<b>Total</b>	<b>59.41</b>	<b>54.47</b>

### Notes:-

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Opening Balance	Conversion of FCCB into equity shares during the year	Right issue during the year	Closing Balance
<b>Equity Shares</b>				
<b>Year ended 31st March 2017</b>				
- Number of shares	44,65,50,721	2,12,23,333	7,69,21,900	54,46,95,954
- Amount (₹ In Crore)	44.66	2.12	7.69	54.47
<b>Year ended 31st March 2018</b>				
- Number of shares	54,46,95,954	4,93,99,134	-	59,40,95,088
- Amount (₹ In Crore)	54.47	4.94	-	59.41

### (ii) Terms/ Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1/- per share. Each holder of equity share is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing AGM.

(iii) As at 31st March, 2018: 98,79,844 shares (previous year 5,92,78,978 shares) were reserved for issuance towards Foreign Currency Convertible Bonds (FCCB).

### (iv) Equity shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below:

Class of shares/ Name of shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares</b>				
BVM Finance Private Limited	7,81,03,905	13.15%	7,81,03,905	14.34%
Kolon Investment Private Limited	5,58,77,110	9.41%	5,58,77,110	10.26%
Opel Securities Private Limited	3,02,23,452	5.09%	3,02,23,452	5.55%

## 19 Other Equity

Refer Statement of Changes in Equity for detailed movement in Equity Balances

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## A Summary of Other Equity Balances

(₹ in crores)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
(a) Securities premium account	1,116.01	678.23
(b) Debenture redemption reserve	83.60	56.17
(c) General reserve	428.58	428.58
(d) Equity component of compound financial instruments (FCCBs) reserve	14.54	91.12
(e) Remeasurment of defined benefit plans	(0.94)	(1.02)
(f) Equity Instrument through other comprehensive income	4.95	(0.15)
(g) Stock reserve	0.52	-
(h) Retained earnings	2,703.57	2,606.33
<b>Total</b>	<b>4,350.83</b>	<b>3,859.26</b>

## B Nature and purpose of reserves

### (a) Debenture redemption reserve

This reserve has been created for redemption of debentures issued by the company in compliance of provisions of the Companies Act, 2013 and rules framed there under.

### (b) General Reserve

The general reserve is created from time to time by transfer of profits from retained earnings for appropriate purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Statement of profit and loss.

### (c) Equity instruments through other comprehensive income

The reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income.

### (d) Remeasurement of defined benefit plans

The reserve represents the impact of actuarial gains and losses on the funded obligation due to change in financial assumptions, change in demographic assumption, experience adjustments, etc. recognised through other comprehensive income.

### (e) Retained earnings

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

## 20 Borrowings (non-current)

(₹ in crores)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
<b>Secured- at amortised cost</b>		
(a) Debentures	497.54	497.13
(b) Term loans		
(i) from banks	3,166.54	2,157.81
(ii) from a financial institution	441.18	526.65
<b>Unsecured-at amortised cost</b>		
(a) Foreign currency convertible bonds (FCCB's)	64.06	393.03
(b) Term loan from a bank	64.31	63.02
<b>Total</b>	<b>4,233.63</b>	<b>3,637.64</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

### 21 Provisions (non-current)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits:		
(i) Provision for compensated absences	5.45	5.88
(ii) Provision for gratuity	7.51	7.30
<b>Total</b>	<b>12.96</b>	<b>13.18</b>

### 22 Deferred tax liabilities (Net)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(a) Deferred Tax Liability</b>		
(i) Difference between book and tax depreciation	567.66	396.41
(ii) Recognition of equity component of compounded financial instruments (FCCBs)	8.97	48.22
(iii) Related to Ind AS adjustment	0.68	6.37
(iv) Related to unrealised profit on stock reserve	0.21	-
	<b>577.52</b>	<b>451.00</b>
<b>(b) Deferred Tax Asset</b>		
(i) Disallowances under income tax	6.92	7.46
(ii) Provision for doubtful debts & advances	0.07	0.29
(iii) Unabsorbed depreciation	216.11	110.38
(iv) Minimum alternate tax	276.05	247.32
(v) Demerger and retrenchment expenses as per section 35DD	2.43	0.04
	<b>501.58</b>	<b>365.49</b>
Deferred Tax Liabilities (Net)	75.94	85.51
Deferred Tax Liabilities	78.15	85.51
Deferred Tax Assets	2.21	-
<b>Total</b>	<b>75.94</b>	<b>85.51</b>

### 23 Borrowings (current)

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(a) Secured- at amortised cost- from Banks</b>		
(i) Loans repayable on demand (refer note below)	837.81	318.17
<b>(b) Unsecured-at amortised cost</b>		
(i) from a bank	49.60	13.35
<b>Total</b>	<b>887.41</b>	<b>331.52</b>

Note: Loans from the banks are secured by first charge on the stocks and book debts of the company, both present and future.

### 24 Trade payables

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Trade payables	288.16	290.59
<b>Total</b>	<b>288.16</b>	<b>290.59</b>

The average credit period on purchases of certain goods is 7 to 240 days. No interest is charged on the trade payables for the first 240 days from the date of invoice. Thereafter, the interest is payable at 18% per annum on the outstanding balance. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## 25 Other financial liabilities

(₹ in crores)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
(a) Current maturities of long-term debt	387.56	179.60
(b) Interest accrued on borrowings	34.48	21.96
(c) Investor's education and protection fund		
Unclaimed dividends	0.97	0.90
(d) Acceptances	296.37	89.35
(e) Other payables		
(i) Payables on purchase of fixed assets	8.38	25.85
(ii) Trade / security deposits received	0.59	0.50
(III) Others	38.75	-
<b>Total</b>	<b>767.10</b>	<b>318.16</b>

## 26 Other current liabilities

(₹ in crores)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
(a) Statutory remittances	2.93	6.20
(b) Advances from customers	2.16	11.20
<b>Total</b>	<b>5.09</b>	<b>17.40</b>

## 27 Provisions (Current)

(₹ in crores)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Provision for employee benefits:		
(i) Provision for compensated absences	1.28	1.18
(ii) Provision for gratuity	2.49	2.08
<b>Total</b>	<b>3.77</b>	<b>3.26</b>

## 28 Current tax liabilities (Net)

(₹ in crores)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Provision for taxation (net)	-	8.00
<b>Total</b>	<b>-</b>	<b>8.00</b>

## 29 Revenue from operations

(₹ in crores)

Particulars	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
Sale of products	2,892.98	1,928.96
Less: Commission towards sales	20.30	7.64
<b>Total</b>	<b>2,872.68</b>	<b>1,921.32</b>

## 30 Other income

(₹ in crores)

Particulars	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
(a) Interest income earned on financial asset that are not designated as at fair value through profit or loss (FVTPL)	22.77	30.75
(b) Investments measured at fair value through profit or loss	0.11	1.82
(c) Net gain on sale / transfer of investments of current investments	1.11	0.87

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(d) Net gain on foreign currency transactions and translation (other than considered as finance cost)	18.89	18.51
(e) Subsidies from government authorities	81.59	28.85
(f) Profit on sale of fixed assets (net)	6.00	-
(g) Miscellaneous income	18.44	16.36
<b>Total</b>	<b>148.91</b>	<b>97.16</b>

## 31 Cost of materials consumed

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock	128.60	15.34
Add: Purchases	1,552.92	1,013.14
Less: Closing stock	378.48	128.60
<b>Cost of material consumed</b>	<b>1,303.04</b>	<b>899.88</b>

## 32 Purchase of traded goods

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Yarn	961.50	491.41
<b>Total</b>	<b>961.50</b>	<b>491.41</b>

## 33 Changes in inventories of finished goods, Stock in Trade and work-in-progress

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Inventories at the end of the year:</b>		
(a) Finished goods	100.04	39.17
(b) Stock in Trade (Including stock in transit Rs.116.21 crore P.Y. Nil)	116.31	1.64
(c) Work-in-progress	28.11	33.48
	<b>244.46</b>	<b>74.29</b>
<b>Inventories at the beginning of the year:</b>		
(a) Finished goods	39.17	36.55
(b) Stock in Trade (Including stock in transit Rs.Nil P.Y. Nil)	1.64	3.42
(c) Work-in-progress	33.48	10.99
	<b>74.29</b>	<b>50.96</b>
<b>Net (increase) / decrease</b>	<b>(170.17)</b>	<b>(23.33)</b>

## 34 Employee benefits expense

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Salaries and wages	127.70	78.66
(b) Contributions to provident and other funds	12.80	8.28
(c) Staff welfare expenses	6.39	8.98
<b>Total</b>	<b>146.89</b>	<b>95.92</b>

## 35 Finance costs

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Interest expenses on borrowings (net of interest subsidy)	106.68	90.35
(b) Other borrowing cost	7.36	2.97
<b>Total</b>	<b>114.04</b>	<b>93.32</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## 36 Other expenses

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Consumption of stores and spare parts	72.90	34.83
(b) Power and fuel	181.14	105.51
(c) Job work and subcontracting	1.50	1.98
(d) Rent including lease rentals	2.61	2.18
(e) Repairs and maintenance - Buildings	0.03	0.02
(f) Repairs and maintenance - Machinery	0.91	0.54
(g) Repairs and maintenance - Others	1.55	0.29
(h) Insurance	4.58	3.45
(i) Rates and taxes	0.37	0.05
(j) Travelling and conveyance	9.21	5.16
(k) Transport and freight charges	29.60	8.33
(l) Donations and contributions	0.05	0.01
(m) Expenditure on corporate social responsibility (Refer Note-45)	9.49	9.40
(n) Payments to auditors	0.64	0.31
(o) Legal and professional charges	9.42	3.47
(p) Loss on sale / impairment of fixed assets (net)	-	0.07
(q) General expenses	19.86	11.91
<b>Total</b>	<b>343.86</b>	<b>187.51</b>

## 37 Earnings per share

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic Earnings per share (₹)	2.48	2.76
Diluted Earnings per share (₹)	2.48	2.76

### Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit for the year attributable to owners of the Company (₹ in crores)	141.84	134.25
Weighted average number of equity shares for the purposes of basic earnings per share	57,28,57,921	48,66,19,681
Earnings per share - Basic (₹)	2.48	2.76

### Diluted earnings per share

The earnings used in calculation of diluted earnings per share are as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Earnings used in the calculation of Diluted earnings per share (₹ in crores)	141.84	134.25
Weighted average number of equity shares for the purposes of basic earnings per share	57,28,57,921	48,66,19,681
Earnings per share - Diluted (₹)	2.48	2.76

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The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Weighted average number of equity shares used in the calculation of basic earnings per share	57,28,57,921	48,66,19,681
Shares deemed to be issued for no consideration in respect of:		
a. employee options	-	-
b. partly paid equity shares	-	-
c. convertible bonds	-	-
<b>Weighted average number of equity shares used in the calculation of Diluted EPS</b>	<b>57,28,57,921</b>	<b>48,66,19,681</b>

Note: There are potential equity share issued by the Company which are anti-dilutive in its nature.

### 38 Composite Scheme of Arrangement:

Upon the sanction of the Composite Scheme of Arrangement (the 'Scheme') by the Hon'ble NCLT bench at Ahmedabad vide Order dated 23rd March, 2017 between the Company, Sintex Plastics Technology Limited, Sintex-BAPL Limited and Sintex Infra Projects Limited, the Custom Moulding business and the Prefab business of the Company along with its related assets and liabilities at the values appearing in the books of accounts of the Company on the close of business hours on 31st March, 2016 had been transferred in accordance with the Scheme to Sintex-BAPL Limited and Sintex Infra Projects Limited respectively effective from 1st April, 2016, being the Appointed Date of the Scheme.

The difference between the value of assets and value of liabilities of the Custom Moulding business and Prefab business amounting to ₹2317.08 crore transferred to Sintex-BAPL Limited and Sintex Infra Projects Limited and the cancellation of equity shares held by the Company in the paid up share capital of Sintex Plastics Technology Limited of ₹199.91 crore, aggregating to ₹2516.99 crore had been appropriated as under:

- (i) Capital Reserve ₹47.80 crore
- (ii) Capital Redemption Reserve ₹15.05 crore
- (iii) Securities Premium Account ₹1714.02 crore
- (iv) General Reserve ₹111.74 crore
- (v) Foreign Currency Translation Reserve ₹78.05 crore
- (vi) Retained earnings ₹550.33 crore

### 39 Foreign Currency Convertible Bonds (FCCBs)

On May 25, 2016, the Company issued USD 110 million Step Down Convertible Bonds due 2022 ("FCCBs"). The FCCBs bear interest (i) at the rate of 7% p.a from May 25, 2016 to May 25, 2018 and (ii) at the rate of 3.50% p.a from May 25, 2018 to May 25, 2022, payable semi-annually in arrear on the interest payment dates falling on 25 November and 25 May.

The FCCBs are convertible at any time on and after July 5, 2016 and up to the close of business on May 15, 2022 by holders of the FCCBs into fully paid equity shares with full voting rights of the Issuer each with a nominal value of ₹1 at the option of the holder, at an initial conversion price of ₹93.8125 per share with a fixed rate of exchange on conversion of ₹67.4463 = USD 1.00. The conversion price is subject to adjustment in certain circumstances and may be reset on November 25, 2018 and November 25, 2019 in accordance with the terms and conditions of the FCCBs.

As per the Scheme of Arrangement, on exercising option for conversion of the FCCBs, the FCCB holders shall receive one fully paid equity shares of ₹1 each with full voting rights of Sintex Plastics Technology Limited and further the repayment of FCCBs is guaranteed by Sintex Plastics Technology Limited.

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The FCCBs contain two components: liability and equity elements. The equity element is presented in equity under the heading "Equity component of compound financial instrument reserve"

Particulars	₹ in crores
Proceeds of issue	739.53
Liability component at the date of issue	545.51
<b>Equity component (gross of tax)</b>	<b>194.02</b>

During the year ended March 31, 2018, FCCBs aggregating to USD 67.5 million have been converted into 4,93,99,134 equity shares, resulting in to increase in equity share capital by ₹4.94 crores and security premium by ₹437.78 crores. There are USD 13.5 Million FCCB's outstanding for conversion as on March 31, 2018.

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Reduction in equity component due to conversion of FCCBs into Equity (Gross of tax)	115.83	51.15

## 40 Subsidiaries

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			As at March 31, 2018	As at March 31, 2017
BVM Overseas Limited	Trading of Products	India	100%	100%

## 40.1 Disclosures mandated by Schedule III of Companies Act, 2013 by way of Additional Information

(₹ in crores)

Name of entity in the Group Particulars	Share in Net Assets		Share in profit and Loss		Share in other comprehensive income		Share in Total Comprehensive income	
	As % of consolidated net assets	Amount	As a % of consolidated Profit	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
Sintex Industries Limited	99.69	4,396.37	95.35	135.25	100.00	5.18	95.52	140.43
BVM Overseas Limited	0.31	13.87	4.65	6.59	-	-	4.48	6.59
<b>Total</b>	<b>100.00</b>	<b>4,410.24</b>	<b>100.00</b>	<b>141.84</b>	<b>100.00</b>	<b>5.18</b>	<b>100.00</b>	<b>147.02</b>

## 41 Related Party Transactions

### a. Names of the related parties and description of relationship

Sr. No.	Nature of relationship	Name of Related Parties
1	Key Management Personnel	Shri Rahul A. Patel, Managing Director (Group) Shri Amit D. Patel, Managing Director (Group) Shri S.B.Dangayach, Managing Director (up to 6th June, 2017)
2	Relatives of Key Management Personnel	Shri Dinesh B. Patel, Chairman Shri Arun P. Patel, Vice-chairman

Balance and transactions between the Company and its subsidiary, which is related party of the Company, have been eliminated on consolidation and are not disclosed in the note. Details of transactions between the Group and other related parties are disclosed below:

### b.1 Transactions during the year with related parties\*:

(₹ in crores)

Sr. No.	Nature of transactions	Nature of Relationship	
		Key Management Personnel & relatives thereof	Total
1	Managerial remuneration	10.52 (12.95)	10.52 (12.95)
2	Sitting fees	0.06 (0.10)	0.06 (0.10)



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## b.2 Balance as at March 31, 2018\*

(₹ in crores)

Sr. No.	Nature of transactions	Nature of Relationship	
		Key Management Personnel & relatives thereof	Total
1	Trade payable	13.59	13.59
		(7.59)	(7.59)

\* Figures in brackets indicates figures of previous year

## b.3 Disclosure of Material Related Party Transactions during the year and Balance outstanding

- 1 Managerial Remuneration include remuneration to Shri Rahul A. Patel ₹5.12 crores (Previous Year ₹5.53crores), Shri Amit D. Patel ₹5.21 crores (Previous Year ₹5.56 crores), Shri S. B. Dangayach ₹0.19 crores (Previous Year ₹1.86 crores).
- 2 Sitting fees paid includes to Shri Dinesh B. Patel ₹0.03 crore (Previous Year ₹0.04 crore), Shri Arun P. Patel ₹0.03 crore (Previous Year ₹0.06 crore).

## 42 Segment information

### i. Products and services from which reportable segments derive their revenues.

Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The directors have chose to organise the Group around difference in products and services. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The Company operates in Textile business which is the only reportable segment in accordance with the requirement of Ind AS 108 "Operating Segments".

### ii. Geographical information

Geographical revenue is allocated based on the location of the customers.

Group's all non-current assets are located in India (i.e. its country of domicile).

The Group's revenue from external customers by location of operations are detailed below:-

(₹ in crores)

Revenue from external customers	For the year ended March 31, 2018	For the year ended March 31, 2017
India (includes deemed export)	1,931.72	1,474.84
Asia (Other than India)	555.94	358.47
Europe	239.53	82.62
Others	145.49	5.39
<b>Total</b>	<b>2,872.68</b>	<b>1,921.32</b>

## 43 Financial instruments

### 1 Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of net debt and total equity of the Company.

The Group is not subject to any externally imposed capital requirements.

### Gearing ratio

The gearing ratio at the end of the reporting period was as follows.

(₹ in crores)

Particulars	As at March 31, 2018	As at March 31, 2017
Debt (i)	5,508.60	4,148.76
Less: Cash and bank balances (Refer note 14 and 15)	214.39	714.90
<b>Net debt</b>	<b>5,294.21</b>	<b>3,433.86</b>
<b>Total equity</b>	<b>4,410.24</b>	<b>3,913.73</b>
<b>Net debt to equity ratio</b>	<b>1.20</b>	<b>0.88</b>

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- (i) Debt is defined as long-term and short term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), as described in earlier notes ( Refer note 20, 23 and 25).

## 2 Categories of financial instruments

(₹ in crores)

Particulars	As at March 31, 2018		As at March 31, 2017	
	Carrying values	Fair values	Carrying values	Fair values
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Non-current investments	-	-	-	-
Loans	60.60	60.60	270.37	270.37
Trade receivables	667.72	667.72	627.02	627.02
Cash and cash equivalents	107.34	107.34	643.99	643.99
Bank balances other than cash and cash equivalents	107.05	107.05	70.91	70.91
<b>Total financial assets carried at amortised cost (A)</b>	<b>942.71</b>	<b>942.71</b>	<b>1,612.29</b>	<b>1,612.29</b>
<b>Measured at fair value through profit and loss</b>				
Current investments in mutual funds	0.63	0.63	18.43	18.43
<b>Total financial assets at fair value through profit and loss (B)</b>	<b>0.63</b>	<b>0.63</b>	<b>18.43</b>	<b>18.43</b>
<b>Measured at fair value through other comprehensive income</b>				
Non-current investments in equity instruments	16.79	16.79	11.69	11.69
<b>Total financial assets at fair value through other comprehensive income (C)</b>	<b>16.79</b>	<b>16.79</b>	<b>11.69</b>	<b>11.69</b>
<b>Total financial assets (A+B+C)</b>	<b>960.13</b>	<b>960.13</b>	<b>1,642.41</b>	<b>1,642.41</b>
<b>Financial liabilities</b>				
<b>Measured at amortised cost</b>				
<b>Non-current liabilities</b>				
Non-current borrowings *	4,233.63	4,245.80	3,637.64	3,650.88
<b>Current liabilities</b>				
Short-term borrowings	887.41	887.41	331.52	331.52
Trade payables	288.16	288.16	290.59	290.59
Other financial liabilities	767.10	767.10	318.16	318.16
<b>Total financial liabilities measured at amortised cost</b>	<b>6,176.30</b>	<b>6,188.47</b>	<b>4,577.91</b>	<b>4,591.15</b>
<b>Total financial liabilities</b>	<b>6,176.30</b>	<b>6,188.47</b>	<b>4,577.91</b>	<b>4,591.15</b>

\* The fair value of company's fixed interest borrowing are determined by using Discounted Cash Flow Method.

## 3 Financial risk management objectives

The Group's Corporate finance department provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

The Corporate Treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

## 4 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates due to foreign currency borrowings and variable interest loans. The Company has entered into derivative contracts to manage part of its foreign currency risk. The Company does not enter into derivative contracts to manage risks related to anticipated sales and purchases.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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## 5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts and currency options taken at the time of initiation of the booking by the management. Such decision is taken after considering the factors such as upside potential, cost of structure and the downside risks etc. Quarterly reports are submitted to Management Committee on the covered and open positions and MTM valuation.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

(₹ in crores)

Particulars	As at March 31, 2018					As at March 31, 2017				
	USD	EURO	INR	Others	Total	USD	EURO	INR	Others	Total
<b>Financial assets</b>										
<b>Non-current financial assets</b>										
Investments	-	-	16.79	-	16.79	-	-	11.69	-	11.69
Loans	-	-	8.94	-	8.94	-	-	5.47	-	5.47
<b>Total non-current financial assets (A)</b>	<b>-</b>	<b>-</b>	<b>25.73</b>	<b>-</b>	<b>25.73</b>	<b>-</b>	<b>-</b>	<b>17.16</b>	<b>-</b>	<b>17.16</b>
<b>Current financial assets</b>										
Investments	-	-	0.63	-	0.63	-	-	18.43	-	18.43
Trade receivables	134.59	3.51	529.62	-	667.72	153.72	-	473.30	-	627.02
Cash and cash equivalents	9.34	-	98.00	-	107.34	17.26	-	626.73	-	643.99
Bank balances other than cash and cash equivalents	-	-	107.05	-	107.05	-	-	70.91	-	70.91
Loans	-	-	60.60	-	60.60	-	-	270.37	-	270.37
<b>Total current financial assets (B)</b>	<b>143.93</b>	<b>3.51</b>	<b>795.90</b>	<b>-</b>	<b>943.34</b>	<b>170.98</b>	<b>-</b>	<b>1,459.74</b>	<b>-</b>	<b>1,630.72</b>
<b>Total financial assets (C) = (A) + (B)</b>	<b>143.93</b>	<b>3.51</b>	<b>821.63</b>	<b>-</b>	<b>969.07</b>	<b>170.98</b>	<b>-</b>	<b>1,476.90</b>	<b>-</b>	<b>1,647.88</b>
<b>Financial liabilities</b>										
<b>Non current financial liabilities</b>										
Borrowings	128.37	-	4,105.26	-	4,233.63	456.05	-	3,181.59	-	3,637.64
<b>Total non-current financial liabilities (D)</b>	<b>128.37</b>	<b>-</b>	<b>4,105.26</b>	<b>-</b>	<b>4,233.63</b>	<b>456.05</b>	<b>-</b>	<b>3,181.59</b>	<b>-</b>	<b>3,637.64</b>
<b>Current financial liabilities</b>										
Borrowings	65.23	-	822.18	-	887.41	-	-	331.52	-	331.52
Trade payables	38.80	8.55	240.27	0.54	288.16	32.04	0.17	258.25	0.13	290.59
Other financial liabilities	122.48	-	644.62	-	767.10	16.12	-	302.04	-	318.16
<b>Total current financial liabilities (E)</b>	<b>226.51</b>	<b>8.55</b>	<b>1,707.07</b>	<b>0.54</b>	<b>1,942.67</b>	<b>48.16</b>	<b>0.17</b>	<b>891.81</b>	<b>0.13</b>	<b>940.27</b>
<b>Total financial liabilities (F) = (D) + (E)</b>	<b>354.88</b>	<b>8.55</b>	<b>5,812.33</b>	<b>0.54</b>	<b>6,176.30</b>	<b>504.21</b>	<b>0.17</b>	<b>4,073.40</b>	<b>0.13</b>	<b>4,577.91</b>
<b>Excess of financial liabilities over financial assets (F)-(C)</b>	<b>210.95</b>	<b>5.04</b>	<b>4,990.70</b>	<b>0.54</b>	<b>5,207.23</b>	<b>333.23</b>	<b>0.17</b>	<b>2,596.50</b>	<b>0.13</b>	<b>2,930.03</b>
<b>Net Exposure of foreign currency risk</b>	<b>210.95</b>	<b>5.04</b>	<b>-</b>	<b>0.54</b>	<b>216.53</b>	<b>333.23</b>	<b>0.17</b>	<b>-</b>	<b>0.13</b>	<b>333.53</b>
<b>Sensitivity impact on Net liabilities/ (assets) exposure at 10%</b>	<b>21.10</b>	<b>0.50</b>	<b>-</b>	<b>0.05</b>	<b>21.65</b>	<b>33.32</b>	<b>0.02</b>	<b>-</b>	<b>0.01</b>	<b>33.35</b>

### 5.1 Foreign currency sensitivity analysis

The Group is mainly exposed to USD and EURO currency.

The above table details the Company's sensitivity to a 10% increase and decrease in the INR against relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency risk denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A negative number below indicates an increase in profit/equity where the INR strengthens 10% against the relevant currency. For a 10%

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weakening of the INR against the relevant currency, there would be a comparable impact on the profit/equity and the balances below would be positive.

## 5.2 Forward foreign exchange contracts

Company had entered into forward foreign exchange contracts to cover foreign currency payments and receipts.

## 6 Interest rate risk management

The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company has exposure to interest rate risk, arising principally on changes in PLR and LIBOR rates. 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 non-convertible debentures and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The table in 6.1 provides a break-up of the Company's fixed and floating rate borrowings:

### 6.1 Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table provides a break-up of the Company's fixed and floating rate borrowings and interest rate sensitivity analysis.

Particulars	As at March 31, 2018		As at March 31, 2017	
	Gross amount (₹ in crores)	Interest rate sensitivity @0.50% (₹ in crores)	Gross amount (₹ in crores)	Interest rate sensitivity @0.50% (₹ in crores)
Fixed loan	561.60	-	890.16	-
Variable loan	4,947.00	24.74	3,258.60	16.29
<b>Total</b>	<b>5,508.60</b>	<b>24.74</b>	<b>4,148.76</b>	<b>16.29</b>

(₹ in crores)

## 7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to the above mentioned company did not exceed 10% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 10% of gross monetary assets at any time during the year.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

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## 7.1 Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risk associated with its financial assets.

## 8 Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(₹ in crores)

Particulars	As at March 31, 2018				As at March 31, 2017			
	< 1year	1-5 years	> 5 years	Total	< 1year	1-5 years	> 5 years	Total
<b>Financial assets</b>								
<b>Non-current</b>								
Investments	-	-	16.79	16.79	-	-	11.69	11.69
Loans	-	8.94	-	8.94	-	5.47	-	5.47
<b>Total non-current financial assets</b>	-	<b>8.94</b>	<b>16.79</b>	<b>25.73</b>	-	<b>5.47</b>	<b>11.69</b>	<b>17.16</b>
<b>Current</b>								
Investments	0.63	-	-	0.63	18.43	-	-	18.43
Trade receivables	667.72	-	-	667.72	627.02	-	-	627.02
Cash and cash equivalents	107.34	-	-	107.34	643.99	-	-	643.99
Bank balances other than cash and cash equivalents	107.05	-	-	107.05	70.91	-	-	70.91
Loans	60.60	-	-	60.60	270.37	-	-	270.37
<b>Total current financial assets</b>	<b>943.34</b>	-	-	<b>943.34</b>	<b>1,630.72</b>	-	-	<b>1,630.72</b>
<b>Total financial assets</b>	<b>943.34</b>	<b>8.94</b>	<b>16.79</b>	<b>969.07</b>	<b>1,630.72</b>	<b>5.47</b>	<b>11.69</b>	<b>1,647.88</b>
<b>Financial liabilities</b>								
<b>Non-current</b>								
Borrowings	-	2,646.18	1,587.45	4,233.63	-	2,412.40	1,225.24	3,637.64
<b>Total non-current financial liabilities</b>	-	<b>2,646.18</b>	<b>1,587.45</b>	<b>4,233.63</b>	-	<b>2,412.40</b>	<b>1,225.24</b>	<b>3,637.64</b>
<b>Current</b>								
Borrowings	887.41	-	-	887.41	331.52	-	-	331.52
Trade payables	288.16	-	-	288.16	290.59	-	-	290.59
Other financial liabilities	767.10	-	-	767.10	318.16	-	-	318.16
<b>Total current financial liabilities</b>	<b>1,942.67</b>	-	-	<b>1,942.67</b>	<b>940.27</b>	-	-	<b>940.27</b>
<b>Total financial liabilities</b>	<b>1,942.67</b>	<b>2,646.18</b>	<b>1,587.45</b>	<b>6,176.30</b>	<b>940.27</b>	<b>2,412.40</b>	<b>1,225.24</b>	<b>4,577.91</b>

## 9 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets. Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

(₹ in crores)

Particulars	Fair values as at March 31, 2018	Fair values as at March 31, 2017	Level*	Valuation technique and key inputs
<b>Financial assets</b>				
<b>Non-current investments</b>				
<b>Investment in unquoted equity instruments</b>				
BVM Finance Pvt Ltd	13.67	8.54	3	Net assets method was used to capture the present value of the expected future economic benefits that will flow to the entity due to the investments.
Sintex Oil and Gas Ltd	0.05	0.05	3	
Healwell International Ltd	3.00	3.00	3	
Sixvents Power and Engineering Ltd	0.01	0.01	3	
<b>Investment in quoted equity instruments</b>				
Dena Bank	0.06	0.09	1	Quoted bid prices in an active market
<b>Current investments</b>				
Investments in Mutual funds	0.63	18.43	1	Quoted bid prices in an active market

\*There were no transfers between Level 1 and Level 3 during the period.

### 44 Income taxes

#### a. Income taxes recognised in Statement of Profit and Loss

(₹ in crores)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
<b>Current tax</b>		
In respect of the current year	41.21	28.22
Excess/(Short) provision for tax of earlier years	(32.24)	2.25
<b>Deferred tax</b>		
In respect of the current year	29.46	(23.17)
<b>Total income tax expense recognised in the current year</b>	<b>38.43</b>	<b>7.30</b>

#### b. Tax reconciliation

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Income before taxes	180.27	141.55
Enacted tax rate in India	34.460%	34.608%
Expected income tax (benefit)/expense at statutory tax rate	(62.12)	(48.99)
<b>Effect of:</b>		
Investment allowance tax credits	-	9.72
Tax effect on non-deductible expenses	0.78	(3.25)
Effect of income which is taxed at special rates	0.42	0.30
Others	1.27	5.05
Reversal of MAT Credit recognised of earlier years	(15.68)	-
(Short)/Excess provision for tax of earlier years	32.24	(2.25)
Business Loss Carried Forward	(1.19)	-
Permanent difference in nature of Assets/Demerger effect	5.85	32.12
<b>Income taxes recognised in the Statement of Profit and Loss</b>	<b>(38.43)</b>	<b>(7.30)</b>

The tax rate used for the 2017-18 and 2016-17 reconciliations above is the corporate tax rate of 30% and 25% as the case may be plus surcharge @ 12% and cess @ 3% payable by corporate entities in India on taxable profits under the Indian tax laws.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

## c. Income tax recognised directly in equity

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Deferred tax</b>		
Arising on transactions with owners:		
Initial recognition of the equity component of compounded financial instrument (FCCBs)	65.92	65.92
Conversion of portion of convertible financial instrument (FCCBs) into equity	(56.95)	(17.70)
<b>Total income tax recognised directly in equity</b>	<b>8.97</b>	<b>48.22</b>

## d. Income tax recognised in other comprehensive income

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Deferred tax</b>		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	(0.04)	(0.03)
<b>Total income tax recognised in other comprehensive income</b>	<b>(0.04)</b>	<b>(0.03)</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:-</b>		
Items that will not be reclassified to Statement of Profit and Loss	(0.04)	(0.03)
Items that will be reclassified to Statement of Profit and Loss	-	-
	<b>(0.04)</b>	<b>(0.03)</b>

## e. Components of Deferred Tax (charge)/benefit for the year

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation and amortisation	171.25	29.49
Unabsorbed depreciation	(105.73)	(42.51)
Disallowances under Income Tax	0.54	5.29
Provision of bad and doubtful debts	0.22	3.92
Others	(8.08)	4.99
MAT Credit Taken	(28.74)	(24.34)
<b>Total deferred tax for the year</b>	<b>29.46</b>	<b>(23.17)</b>

## f. Components of deferred tax assets and liabilities

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>(a) Deferred tax liabilities</b>		
(i) Difference between book and tax depreciation	567.66	396.41
(ii) Equity component of compounded financial instruments	8.97	48.22
(iii) Related to IND AS Adjustment	0.68	6.37
(iv) Related to unrealised profit on stpck reserve	0.21	-
	<b>577.52</b>	<b>451.00</b>
<b>(b) Deferred tax assets</b>		
(i) Disallowances under Income Tax	6.92	7.46
(ii) Provision for doubtful debts & advances	0.07	0.29
(iii) Unabsorbed depreciation and losses	216.11	110.38
(iv) Minimum Alternate Tax	276.05	247.32
(v) Demerger expense as per section 35DD	2.43	0.04
	<b>501.58</b>	<b>365.49</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

Deferred tax liabilities (net)	75.94	85.51
Deferred tax liabilities	78.15	85.51
Deferred tax assets	2.21	-
Total	75.94	85.51

- g. The Company has following unused tax losses which arisen on incurrance of capital losses under the Income Tax Act, 1961 for which no deferred tax assets has been recognised in the balance sheet.

(₹ in crores)

Financial Year	As at March 31, 2018	Expiry date
2010-11	3.72	31-3-2020
2011-12	3.56	31-3-2021
2013-14	55.75	31-3-2023
2015-16	0.23	31-3-2025

- 45 The Company has spent ₹9.49 crore (Previous Year ₹9.40 crore) towards schemes of Corporate Social Responsibility as prescribed under section 135 of the Companies Act, 2013.

I. Gross amount required to be spent by the Company during the year ₹10.06 crore (Previous Year ₹12.11 crores)

II. Amount spent during the year on:

Financial Year	(₹ in crores)
i) Construction/Acquisition of any asset	-
	(-)
ii) For purposes other than (i) above	9.49
	(9.40)

[figures in brackets pertain to 2016-17]

- 46 In respect of overseas direct investment (ODI) made by the company in the earlier years in erstwhile wholly owned subsidiary, the Directorate of Enforcement, Department of Revenue, Ministry of Finance, Government of India has held that the end-use of such funds made by the then foreign subsidiary company is in contravention of the provisions of Section 4 of the Foreign Exchange Management Act (FEMA), 1999 and has, therefore, vide its Seizure Order dated 15th December, 2017 attached the immovable property of the company by way of certain unencumbered open plots of land admeasuring in aggregate about 1,27,851.50 sq. metres having aggregate cost of Rs. 3.69 Crores as per books of accounts of the company. The company strongly believes that it has not contravened provisions of FEMA as alleged in the seizure order and is, therefore, taking appropriate steps under the law. In the opinion of the management of the Company all the activities carried out by the then foreign subsidiary are in compliance with the ODI route under FEMA read with the relevant rules and regulations. The Company's management is confident of successful outcome from the proceedings. Therefore, no accounting adjustments have been made in the books of accounts of the Company in this regard.

### 47 Operating lease arrangements

The Group has obtained an office premises on operating lease. The lease for this office premise is long term and its non-cancellable. Further, there is an escalation clause in the lease agreement.

Lease payment of ₹2.61 crore (Previous Year ₹2.18 crore) have been recognised as an expenses in the statement of profit and loss during the year

Future minimum rentals payable under non-cancellable operating lease as at 31st March, 2018 ate as follows

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Not less than one year	2.62	2.21
Later than over one year but not later than five years	0.36	-
Later five years	-	-

The lease agreements are executed for a period of 12 months to 48 months with a renewal clause.



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH, 2018

48 Interest on borrowings is net of interest subsidy of ₹134.40 crore (previous year ₹129.52 crore).

49 On introduction of Goods & Service Tax (GST) w.e.f. 1st July, 2017, in accordance with the Textile Policy of Government of Gujarat, income by way of subsidy/benefit in respect of GST has also been accounted for as the management of the Company strongly believes that GST (both SGST & CGST) shall also be entitled for subsidy/benefit as envisaged in the Policy.

## 50 Commitments

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	292.00	215.00
<b>Total</b>	<b>292.00</b>	<b>215.00</b>

## 51 Contingent liabilities

(₹ in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a. Group has imported machineries duty free under EPCG Scheme for which duty saved amount*	398.07	323.49
b. Disputed demand not acknowledged as debt against which the Group has preferred appeal	33.45	18.80
<b>Total</b>	<b>431.52</b>	<b>342.29</b>

\* Against duty saved of ₹398.07 core (Previous Year ₹323.49 crores) Group has export obligation of ₹2388 crore (Previous Year ₹1114.58 crore) out of which Group has already completed export obligation of ₹1355 crore (Previous Year ₹403.17 crore) for which Group has applied for Export obligation discharge certificate to concerned licensing authority.

(₹ in crores)

Disputed demand not acknowledged as debt against which the Group has preferred appeal	For the year ended March 31, 2018	For the year ended March 31, 2017
Income Tax *	29.41	14.76
Service tax*	4.04	4.04
<b>Total</b>	<b>33.45</b>	<b>18.80</b>

\* The amount deposited with the authority in respect of above Income Tax and Service Tax demands of ₹29.41 crore (previous year ₹14.76 crore) and ₹4.04 crore (previous year ₹4.04 crore) respectively.

## 52 Contingent assets

The are no contingent assets recognised as at March 31, 2018.

## 53 Approval of financial statements

These consolidated financial statements were approved for issue by the board of directors on 8th May, 2018.

In terms of our Reports attached

For **Shah & Shah Associates**  
Chartered Accountants  
(FRN:113742W)

**Vasant C. Tanna**  
Partner  
Membership Number: 100422

Place: Ahmedabad  
Date : May 8, 2018

For and on behalf of Board of Directors

**Dinesh B. Patel, Chairman**  
(DIN : 00171089)

**Arun P. Patel, Vice Chairman**  
(DIN : 00830809)

**Amit D. Patel, Managing Director (Group)**  
(DIN : 00171035)

**Sunil Kumar Kanojia, Director**  
(DIN : 00490259)

**Prashant D. Shah**  
Head – Accounts, Audit & CFO

Place: Ahmedabad  
Date : May 8, 2018

**Lavkumar Kantilal Shah, Director**  
DIN : 01572788)

**Maitri Mehta, Director**  
(DIN : 07549243)

**Narendra Kumar Bansal, Director**  
(DIN : 03086069)

**Rajesh B. Parikh, Director**  
(DIN : 00171231)

**Hitesh T. Mehta**  
Company Secretary

**Form AOC-1**  
**(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies**  
**(Accounts) Rules, 2014)**  
**Statement containing salient features of the financial statement of**  
**subsidiaries/associate companies/joint ventures**

**Part "A" : Subsidiaries**

(₹ in crores)

Sr. No	Name of the Subsidiary Company	Reporting period	Reporting Currency	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments other than Investments in subsidiaries	Turnover/ Total Income	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend	% of Share-holding
1	BVM Overseas Limited	31/03/2018	INR	4.50	13.87	354.92	336.55	-	1,196.93	9.28	2.69	6.59	-	100.00%

**Part "B" : Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(₹ in crores)

Share of Associate / Joint Ventures held by the Company on the year end						Profit / Loss for the year				
Sr. No.	Name of Associate/ Joint Ventures	Latest audited Balance Sheet Date	No.	Amount of Investment in Associate/Joint Venture (₹ in crore)	Extent of Holding %	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in crore)	Considered in Consolidation (₹ in crore)	Not Considered in Consolidation	Description of how there is significant influence	Reason why the associate / joint venture is not consolidated
NIL										

**Note:**

A. There is significant influence due to percentage(%) of Share Capital.

For and on behalf of Board of Directors

**Dinesh B. Patel, Chairman**  
(DIN : 00171089)

**Lavkumar Kantil Shah, Director**  
(DIN : 01572788)

**Arun P. Patel, Vice Chairman**  
(DIN : 00830809)

**Maitri Mehta, Director**  
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**Amit D. Patel, Managing Director (Group)**  
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(DIN : 00171231)

**Prashant D. Shah**  
Head – Accounts, Audit & CFO

**Hitesh T. Mehta**  
Company Secretary

Place: Ahmedabad  
Date : May 8, 2018







**Sintex Industries Limited**  
Kalol (N.G.) - 382721, Gujarat, India.