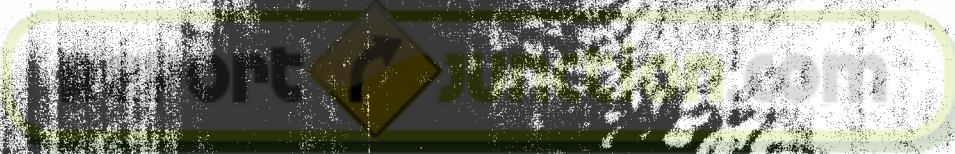




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Annual Report



2 I N T E X I N D U S T R I E S L I M I T E D

SHAREHOLDING AS ON 31ST MARCH, 1998

Number of Shares held	Number of Shareholders	Total Number of Shares
1 to 50	58198	567168
51 to 100	2494	456146
101 to 500	5478	483629
501 to 1000	575	502338
1001 to 5000	155	565763
5001 to 10000	54	167750
10001 and above	50	15448840
TOTAL	36638	14561664



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SINTEX INDUSTRIES LIMITED KALOL (N.G.)

MD	7	SHI	7
CS	7	AC	7
RO	7	DIV	7
TR	7	DPY	7
AGM	7	BKC	7
YE	7		7

BOARD OF DIRECTORS :
 SHRI JAYKRISHNA HARIVALLABHDAS – Chairman
 SHRI BIPINCHANDRA P. PATEL
 SHRI BHARAT B. KEWALRAMANI
 SHRI SURESH C. RAJPAL
 MS. BINA TRIVEDI – Alternate Director to Shri Suresh C. Rajpal
 SHRI RAMNIBHAI AMBANI
 SHRI KIRTIKANT S. NANAVATI
 SHRI SUKUMAR M. PARIKH
 SHRI M.G. BAKRE (Nominee Director)
 SHRI H.C. BHAMBHANI (Nominee Director)
 SHRI DINESH B. PATEL Managing Director
 SHRI ARUN P. PATEL Managing Director
 SHRI RAHUL A. PATEL Whole Time Director
 SHRI AMIT D. PATEL Whole Time Director
 SHRI S.B. DANGAYACH Whole Time Director

MANAGEMENT TEAM :
 SHRI DINESH B. PATEL Managing Director
 SHRI ARUN P. PATEL Managing Director
 SHRI RAHUL A. PATEL Whole Time Director
 SHRI AMIT D. PATEL Whole Time Director
 SHRI S.B. DANGAYACH, Whole Time Director
 SHRI KIRIT C. SHAH, Executive President (Textile Division)
 SHRI A. VAITHESWARAN, Executive President – Tech. (Textile Division)

VICE PRESIDENT & COMPANY SECRETARY :
 SHRI L.M. RATHOD

BANKERS :
 STATE BANK OF INDIA

AUDITORS :
 C.C. CHOKSHI & CO.
 Chartered Accountants
 AHMEDABAD

LEGAL ADVISOR :
 SHRI ASHWINI LALBHAI SHAH, Advocate
 AHMEDABAD

REGISTERED OFFICE :
 NEAR SEVEN GARNALA
 KALOL (N.G.) 382 721
 TEL (01-2764) 23731 (6 Lines), 20246 & 20703
 FAX : (01-2764) 20436 & 20847
 E-Mail : pvm@sd1.vsnl.net.in

67TH ANNUAL GENERAL MEETING

DATE : 26TH SEPTEMBER, 1998
 DAY : SATURDAY
 TIME : 10.30 A.M.
 PLACE : REGISTERED OFFICE:
 NEAR SEVEN GARNALA
 KALOL (N.G.) 382 721

Notice of the 67th Annual General Meeting of the Company to be held on Saturday, the 26th September, 1998 at 10.30 a.m. (S.T.) at the Registered Office of the Company situated at Kalol (N.G.) to transact the business mentioned therein is enclosed herewith.

Shareholders are requested to bring their copy of the Annual Report while attending the Meeting.

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NOTICE

NOTICE is hereby given that Sixty Seventh ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF SINTEX INDUSTRIES LIMITED, Will be held as scheduled below:

DATE	:	26TH SEPTEMBER, 1998
DAY	:	SATURDAY
TIME	:	10.30 a.m.
PLACE	:	Regd. Office: Near Seven Garala, Kalol, (N.G) 385 751

to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 1998 and Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors.
2. To declare a Dividend on Equity Shares for the year ended 31st March, 1998.
3. To appoint Director in place of Shri Ramnikphal H. Ambani, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Shri Sukumar M. Parkhi, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Director in place of Shri Bharat B. Kewaramani, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following Resolutions :

7. As an Ordinary Resolution..

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311, and other provision, if any, of the Companies Act, 1956 read with Schedule XIII of the Companies (Amendment) Act 1988 as revised on 1st February, 1994 and Subject to the necessary approval of the Central Government, it and wherever necessary the Company in General Meeting hereby grants its approval to the re-appointment of Shri Ralul A. Patel as Whole-time Director of the Company for a further period of 5 years commencing from 21st October, 1998 on the remuneration and other terms and condition as contained in the Explanatory statement hereto annexed."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration and perquisites of Shri Ralul A. Patel which revision should be in conformity with any amendments to the relevant provisions of the Companies Act and/or the Rules and Regulations made thereunder and/or such guidelines as may be announced by the Central Government from time to time without further reference to the Company in General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such actions as may be necessary, to give full and final effect to the decision taken herein."

8. As an Ordinary Resolution..

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, 311, and other provision, if any, of the Companies Act, 1956 read with Schedule XIII of the Companies (Amendment) Act 1988 as revised on 1st February, 1994 and Subject to the necessary approval of the Central Government, it and wherever necessary the Company in General Meeting hereby grants its approval to the re-appointment of Shri Amit D. Patel as Whole-time Director of the Company for a further period of 5 years commencing from 21st October, 1998 on the remuneration and other terms and condition as contained in the Explanatory statement hereto annexed."

scribed by law from time to time, provided that the aggregate of the Securities so bought back shall not exceed 5% of the respective Securities of the Company.

RESOLVED FURTHER THAT THE Board of Directors of the Company be and is hereby authorised to do all such acts and things and deal with all such matters and take all such steps in this regard as it may, in its absolute discretion, deem necessary, fit or proper."

10. As a Special Resolution

"RESOLVED that in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as the "Board" which expression shall also include a Committee thereof), or as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to or accepted by the Board in its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue or allot, in one or more tranches, to such persons as are in the permanent employment of the company at the time the issue is made and to the Managing/Whole Time Directors of the company, as may be decided solely by the Board, such number of Ordinary Shares of the Company of the face value of Rs. 10 each, not exceeding 5% or such higher percentage, if permitted by law, not however exceeding 10% of the Subscribed Ordinary Shares of the company at that time, as the Board may deem fit, for subscription for cash or allocated as an option to subscribe, on such terms and at such price as may be fixed and determined by the Board prior to the issue and offer thereof in accordance with the applicable guidelines and provisions of law and otherwise ranking pari passu with the Ordinary Shares of the company as then issued and in existence and on such other terms and conditions and at such time or times as the Board may, in its absolute discretion and in the best interest of the Company deem fit, provided that the aforesaid issue of Ordinary Shares may instead be in the form of fully or partly Convertible Debentures,

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration and perquisites of Shri Amit D. Patel which revision should be in conformity with any amendments to the relevant provisions of the Companies Act and/or the Rules and Regulations made thereunder and/or such guidelines as may be announced by the Central Government from time to time without further reference to the Company in General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such actions as may be necessary, to give full and final effect to the decision taken herein."

9. As a Special Resolution

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof and any Ordinance promulgated in this regard for the time being in force and as may be enacted/promulgated from time to time), and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board"), the consent of the Company be and is hereby accorded to the Board to buy-back, from the existing holders of shares and/or other securities giving right to subscribe for shares of the Company, on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the Securities (odd lots) and/or by purchasing the securities issued to the employees pursuant to a scheme of stock option, the shares of such other securities or securities having such underlying voting rights as may hereafter be notified by the Central Government or any other regulatory authority, from time to time (herein for brevity's sake referred to as "the Securities"), of the Company, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, or from such other sources as may be permitted by law, on such terms, conditions and in such manner as may be pre-



ANNUAL REPORT 1997-98

Redeemable Preference Shares of the face value of Rs.100 each of an aggregate nominal amount not exceeding Rs.15 crores to such persons as the Board of Directors may think fit."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to fix the terms of the issue such as rate of dividend, date of redemption and such other terms as may be thought fit and as may be necessary for issue of Preference Shares in accordance with the provisions of the Companies Act and the Articles of Association of the Company."

"FURTHER RESOLVED THAT THE Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary for giving effect to this resolution."

By Order of the Board of Directors.

L. M. RATHOD

Vice President & Company Secretary.

Registered Office:
Near Seven Gamla,
Kalol (N.G.) 382 721
Dated: 30th July, 1998

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. Register of Members and the Share Transfer Books of the Company shall remain closed from Tuesday, the 1st September, 1998 to Saturday, the 26th September, 1998. (Both days inclusive)

3. The accounts, the reports and all other documents required under the law to be annexed thereto will be available for inspection during working hours at the Registered Office of the Company on any working day except Saturdays and Sundays prior to the date of the Annual General Meeting.

4. The Dividends on Shares as recommended by the Directors for the financial year ended 31st March, 1998

Bonds, Warrants or other securities as may be permitted by the law, from time to time and the issuance of such securities in the aggregate will result in not more than 5% or such higher percentage, as may be permissible, not however exceeding 10% of the subscribed Ordinary Shares of the company at that time."

"RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot such number of Ordinary Shares as may be required in pursuance of the above issue, and that the Ordinary Shares so allotted shall rank in all respects pari passu with the existing Ordinary Shares of the company save and except that such Ordinary Shares which may be with or without voting rights, if permitted by the law, shall carry the right to receive either the full dividend or a pro-rata dividend from the date of allotment, as may be decided by the Board, declared for the financial year in which the allotment of the Shares shall become effective."

"RESOLVED FURTHER that the consent of the company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary approvals to the Board to secure, if necessary, all or any of the above mentioned securities to be issued, by the creation of mortgages and/or charges on all or any of the Company's immovable and/or movable assets, both present and future in such form and manner and on such terms as may be deemed fit and appropriate by the Board."

"RESOLVED FURTHER that for the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form and terms of the issue, the issue price and all other terms and matters connected therewith including the creation of mortgages and/or charges and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and to settle any questions or difficulties that may arise in regard to the issue"

11. As a Special Resolution

"RESOLVED THAT pursuant to provisions of Section 84 and Section 81(A) of the Companies Act, 1956, the Board of Directors to issue/offer/allot Cumulative



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Contribution to Provident Fund and Superannuation Fund will not be included in the computation of the ceiling on remuneration to the extent they are, either singly or put together not taxable under the Income-tax Act, 1961. Gratuity not exceeding half month salary for each completed year of service. Gratuity and encashment of leave shall not be included in the computation of the ceiling on the remuneration	Category "B"	which ever is less. For this purpose. Perquisites are classified in category A, B & C as follows : (a) Expenditure by the Company on hiring furnished accommodation, subject to a ceiling of 60% of the salary. Over and above 10% payable by the Whole Time Director. (b) If the accommodation is owned by the company 10% of the salary of Whole Time Director shall be deducted by the Company. (c) In case no accommodation is provided by the Company, Whole Time Director shall be entitled to House Rent allowance not exceeding 60% of his salary. Expenditure incurred by the Company on Gas, Electric-ity, Water and furnishing shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of salary.	Category "A" Housing
The Company shall provide a Car with Driver and Telephone at residence. Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole Time Director.	Category "C"	Expenses incurred for the Whole Time Director and his family subject to a ceiling of one month salary in a year or three months salary over a period of three years. For the Whole Time Director and his family once in a year incurred in accordance with the Rules of the Company. Fees of Clubs subject to maximum of two Clubs. No admission and life membership fee will be paid. Personal Accident Insurance of an amount, the premium of which does not exceed Rs.4,000/- per annum.	Medical Reimbursement Leave Travel Concession. Club Fees Personal Accident Insurance
In case of absence or inadequacy of the profits of the Company in any financial year, only the aforesaid salary and perquisites shall be paid to the respective Whole Time Directors. The Whole Time Directors so long as they function as such shall not be paid any sitting fees for attending the meeting of the Board or Committees thereof.		The particulars set out above may be treated as an abstract of the terms of the contract for re-appointment of the Whole Time Directors which is required to be given to every member under the provisions of Section 302 (2) of the Companies Act, 1956.	
None of the Directors of the Company is in any way interested in Resolution No.7, except Shri Rahul A. Patel himself and his relative Shri Arun P. Patel who is Managing Director. Similarly none of the Directors of the Company is in any way interested in Resolution No. 8 except Shri Amit D. Patel himself and his relative Shri Dinesh B. Patel who is Managing Director.	ITEM No. 9	Buy back of own shares or other securities convertible into equity shares by the companies is presently not allowed under the Companies Act, 1956. The Companies Bill, 1997,	Explanation "Family" means the wife, the dependent children and dependent parents of the Whole Time Director. For the purposes of Category 'A'.

Sintex

SINTEX INDUSTRIES LIMITED

with a Stock Option Scheme framed in that behalf, in accordance with the provisions of the prevailing law. It is intended that any such Stock Option Scheme shall not involve an issue/ allotment of shares/options representing more than 10% of the Company's outstanding subscribed and paid-up capital at any time. The proposed Resolution is designed to enable achievement of these objectives.

Section 81 of the Act, provides, inter-alia, that whenever it is proposed to increase the subscribed Capital of the Company by the allotment of further shares, such further shares shall be offered to the existing Shareholders of the company in the manner laid down in the said section unless the Shareholders in General Meeting decide otherwise. The consent of the Shareholders is, therefore, sought to authorise the Board of Directors to issue the Shares in the manner set out in the Resolution at Item No. 10.

The Board recommends the Resolution for acceptance.

Shri Dinesh B. Patel, Shri Arun P. Patel, Managing Directors and Shri Rahul A. Patel, Shri Amit D. Patel, Whole time Directors may be deemed to be concerned or interested in the Resolution at Item No. 10 to the extent of the Securities, which may be offered and issued to them.

ITEM No. 11

The Company is measured in terms of total assets, sales, net profits and few other parameters. The Company's strategy has been to build modern world scale plants and to establish market leadership in its products.

For the general corporate purpose and long term working capital requirement, Board considered that it is necessary to raise financial resources, at appropriate time(s) by issue of preference shares to such persons and in such manner, as the Board of Directors think fit.

The Board is authorised to issue/offer/allot Cumulative Redeemable Preference Shares of the face value of Rs. 100 each of an aggregate nominal amount not exceeding Rs. 15 crores to meet the long term working capital and for General Corporate purpose.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

By Order of the Board of Directors.

L. M. RATHOD

Vice President & Company Secretary.

Registered Office:
Near Seven Garhals,
Kalol (N.G.) 382 721
Dated: 30th July, 1998

sought to lay down the operative provisions to regulate the buy back of shares/securities by Companies. The said Bill has not yet become the law. It is expected that, in due course of time, the law will be amended to allow such buy back.

It is proposed to buy back not exceeding 2% of the total voting powers relating to the shares or other securities giving right to subscribe for shares of the company, from the existing securities holders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots) and/or by purchasing the securities issued to the employees of company pursuant to the scheme of stock option, subject to necessary enactment in this regard.

The buy back of shares as aforesaid would entail investing of an amount which would not be less than the market value of the shares or other securities giving right to subscribe for shares of the company and shall be met out of the free reserves and/or the securities premium account and/or out of the proceeds of an issue specifically made for the purpose or from such other sources as may be permitted by the law. The shares so bought back shall be dealt with as per the then prevailing law/regulation.

The Board is of the opinion that it will be in the best interest of the company if Shareholders approve the said resolution, permitting such buy back so that the company will be able to implement this resolution once the law is amended.

The resolution, if approved, will be operative and giving effect to from the applicable date as may be prescribed in this regard.

The resolution is an enabling provision aimed at facilitating the Company to buy back its shares as soon as legally permissible.

The Directors recommend the Resolution for the approval of the Shareholders.

None of the Directors of the Company is, in any way, concerned or interested in the resolution.

ITEM No. 10

In the present competitive environment in the Country and in the long term interest of the Company and its Shareholders, it is necessary that the company adopts measures for attracting and retaining qualified, talented and competent personnel. Stock Option Schemes, designed to foster a sense of ownership and belonging amongst personnel, are a well accepted approach to this end. It is, therefore, appropriate to consider introducing a Stock Option Scheme for the permanent employees of the Company and its Managing/Whole-time Directors. The Shares may be allotted directly to employees or allocated in accordance