



**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

## Contents

|                                    |     |
|------------------------------------|-----|
| Corporate Information              | 01  |
| 5 years Financial Summary          | 02  |
| Directors Report                   | 03  |
| Management Discussion and Analysis | 29  |
| Report on Corporate Governance     | 34  |
| Standalone Financial Statements    | 48  |
| Consolidated Financial Statements  | 96  |
| Form AOC-1                         | 135 |

# 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