



## **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 :

Mr. Rahul A. Patel, Chairman and Managing Director

Mr. Amit D. Patel, Managing Director

Dr. Narendra Kumar Bansal

Dr. Rajesh B. Parikh

Ms. Maitri Mehta

Mr. Sunil Kumar Kanojia

Mr. Vimal R. Ambani

Mr. Gagan Deep Singh

Mr. Dinesh B. Patel (upto 29th March, 2019)

Mr. Arun P. Patel (upto 29th March, 2019)

Dr. Lavkumar Kantilal Shah (upto 29th March, 2019)

## 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

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E-mail : share@sintex.co.in

Website: www.sintex.in

CIN : L17110GJ1931PLC000454

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# Directors' Report

To,

The Shareholders,

Your Directors presenting the 88<sup>th</sup> Annual Report highlighting the business and operations of the Company on a standalone basis and the accounts for the financial year ended 31<sup>st</sup> March, 2019.

## Financial highlights

(₹ in crore)

Particulars	2018-19	2017-18
<b>Gross turnover</b>	2820.77	2035.76
<b>Gross profit</b>	268.83	313.88
Less: Depreciation	232.42	142.16
<b>Profit before tax</b>	36.41	171.72
Less: Provision for taxation — current tax	6.94	4.07
Deferred tax	10.27	31.67
Profit/(loss) after tax	19.20	135.98
<b>Profit for the Year</b>	<b>19.20</b>	<b>135.98</b>

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

## Financial performance

Fiscal 2018-19 was moderate year for the Company as reflected in the financials. Your Company reported 38.56 % growth in gross sales from Rs. 2035.76 crore in 2017-18 to Rs 2820.77 crore in 2018-19.

EBIDTA increased from Rs 420.67 crore in 2017-18 to Rs. 477.65 crore in 2018-19 owing to value led growth which improved business profitability. The profit after tax for the year reduced by 85.88 % from Rs. 135.98 crore in 2017-18 to Rs. 19.20 crore in 2018-19. The earnings per share (face value of Re. 1) stood at Rs. 0.32 (basic) and Rs. 0.32 (diluted) for 2018-19 against Rs. 2.37 (basic) and Rs. 2.37 (diluted) for 2017-18.

## Transfer to Reserves

The Company has not transferred any amount to the general reserve during the current financial year.

## Dividend

With a view to conserve its resources, the Board of Directors of your Company has not recommended dividend on the equity shares of the Company for the Financial Year 2018-19.

## Dividend Distribution Policy

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") the Company

has formulated its Distribution Policy and the same has been uploaded on the website of the Company which can be accessed 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)

## Share Capital:

During the year, the Company has not issued any shares on exercise of conversion by the FCCBs holder. As at 31st March, 2019, FCCBs worth US\$ 13.50 million (of the US\$ 110 million FCCB issue) were outstanding for conversion into equity shares.

The Company's paid-up Equity Share Capital continues to stand at Rs. 59,40,95,088/- divided into 59,40,95,088 equity shares of Re. 1/- each as on 31st March, 2019.

## 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 respected name in the textile industry in India and the global markets for its men's structured fabrics which are one of the finest in the industry and is used by leading European fashion labels and leading garment brands in India. This is a high-value business which continues to grow at a healthy pace over the years.

More recently, the Company ventured into the cotton yarn space, setting up one of the most sophisticated spinning units in India – it generates high-value compact and specialized yarns. The high-quality yarn has been widely accepted by weaving community in India and in leading textile hubs across the world.

The Company's unit near Pipavav is operating more than 6 Lakhs spindles (Phase I & II of its expansion plan) – Phase III of the facility is under commissioning and is expected to commence operations in the current year.

The yarn division also registered healthy growth in business as sales volumes and net sales increased by 40.41% and 38.56% respectively over the previous year. Despite healthy business progress, business profitability was challenged owing to the volatility in cotton prices and availability of cotton during the year under review.

### **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.

Sintex is trading its products in domestic and international markets which includes yarn, shirting and bottom weights through this subsidiary. In future other fabric such as sheeting and value added yarns shall be sold through this subsidiary.

Until last financial year, Sintex yarns were exported to 35 plus countries across the globe. Now company has succeeded in tapping the markets of additional 11 countries. The new countries such as Guatemala, Madagascar, Sri Lanka, Serbia, Poland, Kenya, Morocco, Tunisia, South Africa, Japan and Taiwan are identified this year. Thus the company has expanded its export potential this year.

### **BVM Overseas Limited**

The Company is the trading arm of Sintex Industries in India and in international markets. 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 the growth story has continued by increasing turnover to Rs. 2119.88 crores against Rs. 1181.64 crores in 2017-18. Out of the total turnover, about 63% accrued from the international market. The Company reported an EBIDTA of Rs. 19.07 crore in 2018-19.

### **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 undertaken 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 herewith 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 including adherence to Company's policies,
- 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.

### **Statutory Auditors and Auditors' Report**

M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad (FRN 113742W), 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 for the term of Five Years till the conclusion of 88th Annual General Meeting of the Company pursuant to provisions of Section 139(1) of the Companies Act, 2013.

As the term of appointment of statutory auditor is expiring at ensuing Annual General Meeting, the Company approached for

their re-appointment for second term of five years. M/s. Shah & Shah Associates, has shown their unwillingness to continue as a statutory auditor of the company for the second term.

The Report given by M/s. Shah & Shah Associates, Chartered Accountants on the financial statement of the Company for the financial year 2018-19 does not have any qualifications, observations, reservation or comments or other remarks, which have any adverse effect on the functioning of the company. All Notes including note(s) on financial statement with respect to the Auditor's report are self-explanatory and do not call for any further comments.

Based on the recommendations of the Audit Committee for appointment, remuneration and terms of appointment of the Statutory Auditors of the Company, the Company has appointed M/s. R Choudhary and Associates (FRN:101928W), Chartered Accountants, Ahmedabad at the meeting of Board of directors held on 22nd May, 2019 by passing a resolution for their appointment as a Statutory Auditor of the Company for the term of 5 (Five) years to hold office from the conclusion of ensuing 88th AGM till the conclusion of 93rd AGM of the Company, at such remuneration as may be determined by the Board of Directors in consultation with the Statutory auditors and subject to approval of members for their appointment at this 88th Annual General Meeting”.

The Company has also obtained from the Auditors, a certificate as required under Section 139(1) of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014 to the effect that they are eligible to be appointed as statutory auditors of the Company. 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).

## Reporting of Fraud

There have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of the Act and Rules framed thereunder, either to the Company or to the Central Government.

## Cost Auditor

As per requirement of Central government and pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, the cost account records maintained by the Company are required to be audited.

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. Shah Mehta & Co., Cost Accountants, Ahmedabad as Cost Auditor to audit the cost records of the Company for the financial year 2019-20. The Cost Auditors have submitted a certificate of their eligibility for such appointment. As required under the Companies Act, 2013, the remuneration payable

to the cost auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a Resolution seeking Member's ratification for the remuneration payable to M/s. Shah Mehta & Co., Cost Accountants, Ahmedabad is included in the Notice convening the Annual General Meeting.

## 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. Chirag Shah & Associates, Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2018-19 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. Rahul A. 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.

During the year under review, Mr. Dinesh B. Patel, the Chairman and Mr. Arun P. Patel, the Vice-Chairman of the Company, who had attained age of 75 years, resigned from the Board of the Company w.e.f 29th March, 2019 due to age criterion prescribed under regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Dr. Lavkumar Kantilal Shah, resigned as an Independent Director w.e.f 29<sup>th</sup> March, 2019.

The Board places on record its deep appreciation of the invaluable contributions as well as advice and guidance provided by Mr. Dinesh B. Patel, Mr. Arun P. Patel and Dr. Lavkumar Kantilal Shah during their tenure.

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 Regulation 16(1)(b) read with Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As stipulated under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 issued by the Institute of Company Secretaries of India, brief profiles of the Directors proposed to be appointed/reappointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and membership/Chairmanship of Committees of the Board, shareholding in the Company and disclosure of relationship between directors inter-se are provided in the Notice attached 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 this year, the company has received 4 prestigious awards. These awards are received for contributing to the high employment generation, talent management & talent development, along with best practices at work. The names of the awards are as follows:

1. "National Best Employer Brand 2018"- CHRO Asia
2. "National Best Employer Brand 2018"- World HRD Congress
3. "Gujarat Best Employer Brand 2018"- World HRD Congress
4. "TEXPROCIL" Gold Trophy for the Year 2017-18

During this year, Sintex yarns has successfully accredited with 11 certifications for efficient management practices, sustainable raw materials, premium range of yarns coupled with highest quality standards of products

### Below is a list of certifications.

1. Intertek ISO: 9001 – "QMS" Certificate of Quality Management System for implementing effective statutory and regulatory compliance at organisation
2. Intertek ISO: 14001 – "EMS" Certificate of Environment Management System for implementing greener environmental footprint at organisation
3. GOTS Organic: GOTS – "Global Organic Textile Standard" for textiles products made from organic fibre and nontoxic dyes
4. Organic OCS – "Organic Content Standard" for products made from 95% certified organic materials
5. Organic GRS – "Global Recycle Standard" for products containing 20% sustainable recycled materials
6. BCI: "Better Cotton Initiative Standard" for products made from sustainable cotton
7. "OEKOTEX Certificate" for products confirming human-ecological safety compliance
8. "Usterized Certificate" for yarns with high quality parameters
9. CUSA: "Cotton USA Licensee" - Cotton Council International for superior products made from US cotton
10. "SUPIMA Licensee" for products made from Supima cotton
11. Rieter COMP4R for premium compact yarns made from Rieter compact Technology.

## Insurance

The Company's plant, property, equipments and stocks are adequately insured against major risks. The Company has also taken

Directors' and Officers' Liability insurance 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 Company has instituted the Sintex Industries Limited -Employees Stock Option Plan-2018 (ESOP Plan) to grant equity based incentives to eligible employees of the Company and directors of the Company, excluding independent directors. The Scheme of ESOP Plan is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. During the year under review, the Company has not granted any stock options pursuant to ESOP Plan.



A total of 30,00,000 options would be available for grant to the eligible employees of the Company and directors of the Company, excluding independent directors under the ESOP Plan.

The details as required to be disclosed under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulation, 2014 has been uploaded on the Company's website at the link <http://www.sintex.in/wp-content/uploads/2019/04/ESOP-2018-Disclosure-under-SEBI-SBEB-Regulations-2014-1.pdf>

The Certificate from the Statutory Auditors of the Company certifying that the Company's Stock Option Plans are being implemented in accordance with the ESOP Regulations and the resolution passed by the Members of the Company, would be placed at ensuing AGM for inspection by members.

### 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 08th May, 2018, 17th July, 2018, 27th October, 2018 and 24th January, 2019. 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, 2019:

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

### Audit Committee

The Audit 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 Directors.

The details of the Committees along with their composition, number of meetings held and attendance at the meetings are provided in

the Corporate Governance Report.

### Independent Directors' Meeting

The Independent Directors met on 24th January, 2019, 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 into 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

### Extra Ordinary General Meetings / Postal Ballot

During the year under review, the Company has neither convened any Extra Ordinary General Meeting of the members of the Company nor passed any resolution through Postal Ballot.

### Consolidated financial statements

The Board reviewed the affairs of the Company's subsidiaries 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 all its subsidiaries, 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 subsidiaries, as approved by their respective Board of Directors. Further a statement containing salient features of the Financial Statements of each subsidiary in Form AOC-1 forms part of the Consolidated Financial Statements. The statement also provides the details of performance and financial position of each subsidiary.

### Transfer of shares to IEPF demat account

The Company has transferred 67,651 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 and adopted the Policy for selection and appointment of directors, senior management and their remuneration. The Board recognizes that the various Committees of the Board have very important role to play to ensure highest standards of corporate governance. The Chairman of the Board and other Executive Directors form broad policies and ensure their implementation in the best



interests of the Company. The remuneration policy is stated in the Corporate Governance Report.

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

Pursuant to the amendments in The SEBI (Prohibition of Insider Trading) Regulations, 2015 vide The SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 the Board of Directors of the Company has adopted new code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("UPSI") ("Fair Disclosure Code") incorporating a policy for determination of "Legitimate Purposes" as per Regulation 8 and Schedule A to the said regulations in its meeting held on 24th January, 2019 w.e.f. 1st April, 2019.

- **Whistle blower 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**

Pursuant to amendments in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 vide the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company adopted the revised "Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons" as per Regulation 9 and Schedule B to the said regulations w.e.f. 1st April, 2019.

- **Policy for Determining Material Subsidiaries**

Pursuant to amendments in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, amended from time to time, the Company has adopted the revised "Policy for Determining Material Subsidiaries" for laying down a criterion for determining Material Subsidiaries and their governance as per Regulation 16(1)(c) to the said regulations w.e.f. 1st April, 2019.

## **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 No. 7, 8, 12, 16 and 49) 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**

Related party transactions that were entered into during the financial year were on arm's length basis and in the ordinary course of business in accordance with relevant provisions of the Companies Act, 2013. Further, there were material related party transactions which were entered into in the ordinary course of business and on arm's length basis under Section 188(1) of the Companies Act, 2013 during the financial year under review, details of which are provided in form AOC-2 pursuant to provisions of Section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014. Form AOC-2 is attached herewith as Annexure - C to the Board's Report.

## **Management Discussion and Analysis Report**

The Management Discussion and Analysis Report on the operations of the Company, as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in a separate section and forms part of this Annual Report.

## **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 Certificate from M/s. Chirag Shah & Associates, Practicing Company Secretaries, Ahmedabad on compliance with the conditions of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as a part of this Annual 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 - D'.

## **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 - E' and the same is also available on website of the Company under Investor's Section, accessible at <http://www.sintex.in/investors/>.

### Particulars of employees

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as Annexure-F.

The statement containing particulars of employees as required under Section 197 of the Act read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

### 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.

### 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.

### 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.

### Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place a policy for prevention of sexual harassment in accordance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Company has zero tolerance towards any action on the part of any employee which may fall under the ambit of 'Sexual Harassment' at workplace and the Company is fully committed to uphold and maintain the dignity of every women working in the Company. The Sexual Harassment Policy provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints.

There were no complaints pending as on the beginning of the financial year and no new complaints were filed during the financial year under review.

The Directors further disclose that the Company has complied with the provisions relating to the Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### 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 under any scheme.

### 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,

**Rahul A. Patel**

*Chairman and Managing Director*

DIN :00171198

Date: 22<sup>nd</sup> May, 2019

Place: Ahmedabad