



SINTEX INDUSTRIES LIMITED
ANNUAL REPORT 2020-2021

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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 :

(Suspended during CIRP)

Mr. Rahul A. Patel (DIN: 00171198)
Chairman and Managing Director

Mr. Amit D. Patel (DIN: 00171035)
Managing Director

Mr. Sunil Kumar Kanojia (DIN: 00490259)
Independent Director

Mr. Pratit Patel (DIN: 07841812)
Independent Director

Mrs. Keerti Lachhwani (DIN: 08757712)
Independent Director

Mr. Jayesh Khatsuria (DIN: 08626274)
Non Executive Director

Mr. Premnarayan R. Tripathi (DIN: 06818747)
Additional Independent Director
(w.e.f. 23.12.2020)

Mr. Yogesh S. Ghatge (DIN: 08755299)
Additional Independent Director
(w.e.f. 23.12.2020)

Dr. Rajesh B. Parikh (DIN: 00171231)
Independent Director
(upto 28.09.2020)

Mr. Mayank U. Devashrayee (DIN: 05313186)
Independent Director
(upto 03.10.2020)

Mr. Samuel George (DIN: 06952669)
Independent Director
(upto 27.11.2020)

Mr. Sudatta Mandal (DIN: 00942070)
Nominee Director
(upto 28.10.2020)

INTERIM RESOLUTION PROFESSIONAL

Mr. Pinakin Shah
(IP Registration No. IBBI/IPA-002/IP-N00106/2017-18/10248)

BANKERS :

Punjab National Bank

AUDITORS :

M/s. R Choudhary and Associates
Chartered Accountants
Ahmedabad

REGISTRAR & SHARE TRANSFER AGENT :

Bigshare Services Pvt. Ltd.
A-802, Samudra Complex,
Near Klassic Gold Hotel, Off C. G. Road,
Navrangpura, Ahmedabad - 380 009, Gujarat.
Phone : +91 079 40024135
Email : bssahd@bigshareonline.com
Website: www.bigshareonline.com

COMPANY SECRETARY & COMPLIANCE OFFICER :

Mr. Hitesh T. Mehta

REGISTERED OFFICE :

Kalol - 382 721, Dist: Gandhinagar, Gujarat, India.
Phone : +91-2764-253000
CIN : L17110GJ1931PLC000454

INVESTOR RELATIONSHIP CELL:

7th Floor, Abhijeet Building-I, Mithakhali Six Roads,
Ellisbridge, Ahmedabad - 380 006, Gujarat, India.
Phone. : +91 6358855979
E-mail : share@sintex.co.in
Website : www.sintex.in

Directors' Report

To,
The Shareholders,

Presentation on the 90th Annual Report highlighting the business and operations of the Company on a standalone basis and the audited financial statements for the financial year ended 31st March, 2021.

Pursuant to the Order dated 6th April, 2021 of the Hon'ble National Company Law Tribunal, Ahmedabad ("NCLT Order"), Corporate Insolvency Resolution Process ("CIR Process") has been initiated against the Company in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016, ("Code") and related rules and regulations issued thereunder with effect from 6th April, 2021 (Corporate Insolvency Resolution Process Commencement Date). Mr. Pinakin Shah has been appointed as Interim Resolution Professional ("IRP") in terms of the NCLT Order.

The powers of Board of Directors of the Company stand suspended effective from the CIR Process commencement date and such powers along with the management of affairs of the Company are vested with the IRP in accordance with the provisions of Section 17 and 23 of the Insolvency Code read with Regulation 15(2A) & (2B) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Financial highlights

The Financial highlights of the Company, on standalone basis, for the financial year ended March 31, 2021 is summarised below:

(₹ in crores)

| Particulars | 2020-2021 | 2019-2020 |
|---|------------------|------------------|
| Gross turnover | 1689.15 | 1634.92 |
| Profit/(Loss) before Depreciation, Finance Cost, Exceptional Items and Tax | 201.34 | (308.24) |
| Less: Depreciation | 281.75 | 284.40 |
| Less: Finance costs | 794.92 | 742.03 |
| Profit/(Loss) before tax and Exceptional Items | (875.33) | (1334.67) |
| Less: Exceptional Items | 426.64 | - |
| Profit/(Loss) before tax | (1301.97) | (1334.67) |
| Less: Provision for taxation — current tax | - | - |
| Provision for taxation – Earlier Year | (0.15) | (6.12) |
| Deferred tax | - | (78.57) |
| Profit/(Loss) after tax | (1301.82) | (1249.98) |
| Profit/(Loss) for the Year | (1301.82) | (1249.98) |

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

Financial performance

Fiscal 2020-21 was complex year for the Company as reflected in the financials. Your Company reported 3.32% increase in gross sales from ₹ 1634.92 crore in 2019-20 to ₹ 1689.15 crore in 2020-21.

EBIDTA increased to ₹ 201.34 crore in 2020-21 from ₹ (308.24) crore in 2019-20. Net loss for the year is ₹ 1301.82 crore against the previous year's loss of ₹ 1249.98 crores. The earnings per share (face value of ₹ 1) stood at ₹ (21.88) (basic) and ₹ (21.88) (diluted) for 2020-21 against ₹ (21.04) (basic) and ₹ (21.04) (diluted) for 2019-20.

Transfer to Reserves

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

Dividend

As your Company has been defaulting in servicing its debt obligations since 11th June, 2019 and considering the magnitude of loss incurred in the financial year, the Company has not recommended dividend on the equity shares of the Company for the Financial Year 2020-21.

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

Share Capital:

During the year, the Company has allotted 51,22,874 Equity Shares of ₹ 1/- each at a premium of ₹ 91.16 each per Equity Share on exercise of conversion by the FCCBs holder and accordingly, the paid-up Share Capital of the Company as on 31st March, 2021 stands increased to ₹ 59,92,17,962/- divided into 59,92,17,962 Equity Shares of ₹ 1/- each. As at 31st March, 2021, FCCBs worth US\$ 6.50 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 respected name in the textile industry in India. The Company is engaged into the cotton and 100% wet linen yarn manufacturing. It produces premium quality compact and specialized blended yarns. The high-quality yarn has been widely accepted by weavers, knitters, composite textile mills and large buying houses who are working for brands in India and in across the globe.

The company is presently undergoing substantial financial stress and severe liquidity constraints coupled with changed industrial dynamics, time and cost overrun in completion of its projects, reduction in subsidies and incentive benefits with delay in disbursements, Covid related disruptions etc. which has resulted into reduction in capacity utilization of its plants and steep fall in sales volume and incurred losses during the first half of the financial year. The Company monitored the situation closely. The Company's operations have been commenced in a phased manner with enforcement of strict working restrictions. However from second half of the financial year, the Company stabilised its operations in spite of COVID-19 challenges. The Company scaled up its operations and have been working at 90% capacity comprising of more than 6 lakhs spindles at the end of the financial year. The scale up of operations is subject to substantial volatility in market and risk averseness due to 2nd and 3rd wave of Covid 19 for which company will keep updated.

The Company has discontinued the manufacturing operations of structured fabrics (except bleaching facility) at Kalol effective from 1st July, 2019 on account of high cost of operations.

Corporate Insolvency Resolution Process (CIRP)

A petition for initiation of Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code, 2016 filed by Invesco Asset Management (India) Pvt. Ltd. (Financial Creditor) has been admitted against the Company vide Honorable National Company Law Tribunal, Ahmedabad bench order dated 06.04.2021 and Mr. Pinakin Shah has been appointed as Interim Resolution Professional by NCLT, Ahmedabad Bench under Section 13(1)(c) of the Insolvency and Bankruptcy Code, 2016. As a part of CIRP, financial and operational creditors were called upon to submit their claims to the IRP on or before 22nd April, 2021, being the last date of submission.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), and in accordance with the requirements of sub-clause 16(h) of Para A of Part A of Schedule III of LODR read with Section 25(2)(h) of Insolvency & Bankruptcy Code, 2016 and Regulation 36A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the Invitation for Expression of Interest in Form - G was published on 11th June, 2021 for its submission to the IRP on or before 15th July, 2021.

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 & Covid-19 impact.

The company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 29th June, 2021 there were no subsequent events to be recognized or reported that are not already disclosed except there is severe damage at our factory plant situated at Taluka Jafarabad, Lunsapur, Amreli, Gujarat due to Cyclone Tauktae on 17th May, 2021 and 18th May, 2021. The expected quantum of loss / damage due to Cyclone Tauktae and estimated impact on the production / operations is under process of determination. The loss / damage is covered by the Insurance and the Company has intimated about the incident of severe damage due to Cyclone Tauktae to the Insurance Company.

Performance of subsidiary – BVM Overseas Limited

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

Sintex is trading its yarn in domestic and international markets through this subsidiary.

BVM Overseas Limited

The Company is the trading arm of Sintex Industries Limited 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 at a later date for capitalising on trading opportunities in India and with international customers over time.

During the financial year under review, the turnover decreased to ₹ 291.37 crores against ₹ 595.04 crores in 2020-21. Out of the total turnover, about 64% accrued from the international market. The Company reported an EBIDTA of ₹ 1.17 crore in 2020-21.

For information relating to contribution of subsidiary company to the overall performance of the Company, please refer AOC- 1 forming part of this Annual Report.

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

The Company has constituted Corporate Social Responsibility (CSR) Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee has formulated a Corporate Social Responsibility Policy (CSR policy) indicating the activities to be undertaken by the Company. 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

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. R Choudhary and Associates (FRN:101928W), Chartered Accountants, Ahmedabad were appointed as Statutory Auditors of the Company in 88th Annual General Meeting to hold their office till the conclusion of 93rd Annual General Meeting of the Company.

The Report given by M/s. R Choudhary and Associates, Chartered Accountants on the financial statement of the Company for the financial year 2020-21 does not have any qualifications, observations, reservation or comments or other remarks, 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.

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 the requirements of the Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to maintain cost records and accordingly, such accounts are made and records have been maintained every year.

The Company 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 2021-22. 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 Reports for the financial year 2020-21 of the Company and its material subsidiary company i.e. BVM Overseas Limited are annexed herewith as 'Annexure - B'. There were no qualifications, observations, reservation or comments or other remarks in the Secretarial Audit Reports, which have any adverse effect on the functioning of the Company and its material subsidiary.

Directors and Key Managerial Personnel

Mr. Rahul A. Patel (DIN : 00171198), 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.

Dr. Rajesh B. Parikh (DIN: 00171231) ceased to be Independent Director w.e.f. 28th September, 2020 on the expiry of Second term of his appointment. Mr. Mayank U. Devashrayee (DIN: 05313186) and Mr. Samuel George (DIN: 06952669) ceased to be Independent Directors w.e.f. 3rd October, 2020 and 27th November, 2020 respectively.

Mr. Sudatta Mandal, (DIN: 00942070), Chief General Manager of Export-Import Bank of India ("Exim Bank") who was appointed as Nominee Director on behalf of Exim Bank on the Board of the Company ceased to be the Director of the Company w.e.f. 28th October, 2020.

Mrs. Keerti Lachhwani (DIN: 08757712) who was appointed as an Additional Independent Woman Director w.e.f. 25th June, 2020, her appointment was regularised at the Company's 89th Annual General Meeting held on 28th September, 2020.

During the year, the Board of Directors, on the recommendations of the Nomination and Remuneration Committee, appointed Mr. Premnarayan R. Tripathi (DIN: 06818747) and Mr. Yogesh S. Ghatge (DIN: 08755299) as Additional Non-Executive Directors in the Category of Independent Directors w.e.f. 23rd December, 2020. The IRP has recommended appointment of Mr. Premnarayan R. Tripathi and Mr. Yogesh S. Ghatge as Independent Directors under the Companies Act, 2013, to hold office till the conclusion of the 94th Annual General Meeting of the Company to be held in the calendar year 2025.

The above Additional Independent Directors hold the office up to the ensuing Annual General Meeting. The IRP 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.

Mr. Pinakin Shah, the Interim Resolution Professional, recommended to continue the terms of appointment of Mr. Premnarayan R. Tripathi and Mr. Yogesh S. Ghatge as Independent Directors.

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.

All Independent directors of the Company appointed during the year have integrity, necessary expertise and experience required for effectively performing their roles and discharging responsibilities. Also, your Company has received annual declarations from all the Independent Directors of the Company confirming that they have already registered their names with the data bank maintained by the Indian Institute of Corporate Affairs ["IICA"] as prescribed by the Ministry of Corporate Affairs under the relevant rules.

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.

Awards and Recognitions

During the year the Company has received a prestigious award as a 2nd Highest Export Performance in Cotton yarn from The Cotton Textile Export Promotion Council (TEXPROCIL) for F.Y. 2019-20.

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.

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 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) Regulations, 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 available electronically for inspection by members.

Secretarial Standards

Pursuant to the provisions of Section 118 of the Companies Act, 2013, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

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 25th June, 2020, 10th September, 2020, 10th November, 2020 and 11th February, 2021. 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, 2021:

- 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. Mr. Premnarayan R. Tripathi (Chairperson), Mr. Yogesh Ghatge, Mr. Pratit Patel, Mr. Sunil Kanojia 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.

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 adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process and it covers various aspects of the Board functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgement, governance issues etc.

Annual evaluation of the Committees of Board of Directors of the Company's performance carried out on the basis of criteria and manner as specified by the Nomination and Remuneration Committee and also the terms of reference of the committees.

The performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Independent director databank registration

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, all directors have completed the registration with the Independent Directors Data bank. Requisite disclosures have been received from the directors in this regard. Your Company has received annual declarations from all the Independent Directors of the Company confirming that they have already registered their names with the data bank maintained by the Indian Institute of Corporate Affairs [“IICA”] as prescribed by the Ministry of Corporate Affairs under the relevant rules. Out of five Independent Directors, two Independent Directors have cleared the online proficiency self-assessment test as prescribed under said rules and rest of the Independent Directors will attempt the said test in due course of time.

Independent Directors’ Meeting

The Independent Directors met on 11th February, 2021, 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 IRP 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 the IRP. 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 subsidiary.

Transfer of shares to IEPF demat account

The Company has transferred 1,45,337 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 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 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

- **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 and 15** to the standalone financial statement), which were 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.

All Related Party Transactions were placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the omnibus approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee on a quarterly basis. The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website at the link: http://www.sintex.in/wp-content/uploads/2021/01/6_related-party-transaction-policy-SINTEX_10.09.2020.pdf

Disclosures of Related Party transactions as per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided as **Note No. 39** to Standalone Financial Statements.

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.

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**'.

Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return as on 31st March, 2021 is available on the Company's website on <http://www.sintex.in/investors/> and shall be further updated as soon as possible but not later than sixty days from the date of the Annual General Meeting.

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-E**'.