



ANNUAL REPORT **2021-2022**



SINTEX
INDUSTRIES

SINTEX INDUSTRIES LIMITED

www.sintex.in

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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. Jayesh Khatsuria (DIN: 08626274)
Non Executive Director

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

Mr. Pratit Patel (DIN: 07841812)
Independent Director
(upto 20.10.2022)

Mrs. Keerti Lachhwani (DIN: 08757712)
Independent Director
(upto 27.10.2022)

Mr. Premnarayan R. Tripathi (DIN: 06818747)
Independent Director
(upto 20.10.2022)

Mr. Yogesh S. Ghatge (DIN: 08755299)
Independent Director
(upto 27.10.2022)

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 91st 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, 2022.

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 ("SEBI Listing Regulations").

Financial highlights

The Financial highlights of the Company, on standalone basis, for the financial year ended March 31, 2022 is summarised below:

(₹ in crores)

Particulars	2021-22	2020-21
Gross turnover	3126.50	1689.15
Profit/(Loss) before Depreciation, Finance Cost, Exceptional Items and Tax	507.05	201.34
Less: Depreciation	262.31	281.75
Less: Finance costs	812.04	794.92
Profit/(Loss) before tax and Exceptional Items	(567.30)	(875.33)
Less: Exceptional Items	-	426.64
Profit/(Loss) before tax	(567.30)	(1301.97)
Less: Provision for taxation – Current tax	-	-
Provision for taxation – Earlier year	-	(0.15)
Deferred tax	-	-
Profit/(Loss) after tax	(567.30)	(1301.82)
Profit/(Loss) for the Year	(567.30)	(1301.82)

Financial performance

Fiscal 2021-22 was moderate year for the Company as reflected in the financials. Your Company reported 85.09% increase in gross sales from ₹ 1689.15 crore in 2020-21 to ₹ 3126.50 crore in 2021-22.

EBIDTA increased to ₹ 507.05 crore in 2021-22 from ₹ 201.34 crore in 2020-21. Net loss for the year is ₹ 567.30 against the previous year's loss of ₹ 1301.82 crores. The earnings per share (face value of ₹ 1) stood at ₹ (9.47) (basic) and ₹ (9.47) (diluted) for 2021-22 against ₹ (21.88) (basic) and ₹ (21.88) (diluted) for 2020-21.

Transfer to Reserves

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

Dividend

As your Company is under the Corporate Insolvency Resolution Process, the Company has not recommended dividend on the equity shares of the Company for the Financial Year 2021-22.

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 not issued any shares on exercise of conversion by the FCCBs holder. As at 31st March, 2022, FCCBs worth US\$ 6.50 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 ₹ 59,92,17,962/- divided into 59,92,17,962 equity shares of ₹ 1/- each as on 31st March, 2022.

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 continuously monitoring the Covid situation & accordingly managing the operations of the Company. The Company plant was operational for whole year including period of 2nd & 3rd wave of Covid 19 by taking precautionary steps. Further, during first quarter ended 30th June 2021, 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 loss / damage is covered by the Insurance. Process of claiming insurance is going on. Plant of the Company was not operational due to non availability of electricity at our factory plant due to damage of Cyclone Tauktae. Electricity was restored at our plant on 05th July, 2021 and operations of the Company have commenced in a phased manner and achieved 95% capacity during the year under review. The expected quantum of loss is approximately ₹ 115 crores on account of Cyclone Tauktae.

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.

The Committee of Creditors (CoC) Members had approved a resolution plan on 19th March, 2022 submitted by Reliance Industries Limited jointly with Assets Care & Reconstruction Enterprise Limited, which was subsequently submitted to the Hon'ble NCLT, Ahmedabad Bench on 23rd March, 2022 in accordance with Section 30(6) of the Code. The same continues to remain sub-judice with the Hon'ble NCLT.

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 7th November, 2022 there were no subsequent events to be recognized or reported that are not already disclosed. Overall there has been inflationary pressure in the country, which can be seen in dramatic increase in prices of various raw materials, fuels and transportation cost. In our case, cotton which is our main raw material, price has gone up substantially even after arrival of fresh crop in the market. Cotton price have doubled in last six months and yarn prices have not increased in line with cotton prices. Accordingly, in current time margins are under pressure.

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 increased to ₹ 681.46 crores against ₹ 291.37 crores in 2020-21. Out of the total turnover, about 79.19% accrued from the international market. The Company reported an EBIDTA of ₹ 2.63 crore in 2021-22.

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'.

Suspension of trading in equity shares :

The Company's Equity Shares has been suspended for trading to avoid market complications as per BSE Notice No. 20220321-66 dated 21.03.2022 and NSE Notice no. 0323/2021 dated 21.03.2022.

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 Company 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 Company 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 2021-22 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 Interim Resolution Professional of 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 2022-23. 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 2021-22 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 Report, which have any adverse effect on the functioning of the Company.

Directors and Key Managerial Personnel

Mr. Jayesh H. Khatsuria (DIN : 08626274), 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.

Mr. Pratit A. Patel (DIN: 07841812) & Mr. Premnarayan R. Tripathi (DIN: 06818747) have given their resignation as Independent Directors of the Company with effect from 20th October, 2022. Further, Mr. Yogesh S. Ghatge (DIN: 08755299) & Mrs. Keerti Laxman Lachhwani (DIN : 08757712) have given their resignation as Independent Directors of the Company with effect from 27th October, 2022. Also, Mr. Premnarayan R. Tripathi, Mr. Yogesh S. Ghatge and Mrs. Keerti Laxman Lachhwani have filed e-form DIR-11 with the Registrar of the Companies, notice of their resignation as Independent Directors of the Company.

The Interim resolution Professional will put the notice of resignation of said directors before the Committee of Creditors (CoC) for their approval pursuant to relevant provisions of Insolvency and Bankruptcy Code 2016.

During the year under review, there was no change in Key Managerial Personnel 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 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 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 profile of Mr. Jayesh H. Khatsuria 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.

Insurance

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

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.

Note: Since the Company is under CIR Process, the management of the affairs of the Company is vested with Interim Resolution Professional. Accordingly, the above mentioned duties and responsibility of Directors have been performed by Interim Resolution Professional of the Company.

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 its subsidiaries and directors of the Company, excluding independent directors and a total of 30,00,000 options were available for grant under the ESOP Plan. The Company has not granted any stock options pursuant to ESOP Plan to eligible employees of the Company and looking to the present financial position of the Company, the Company has terminated the ESOP Plan.

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.

The Consultation Meetings of the Interim Resolution Professional

As the Corporate Insolvency Resolution Process (CIRP) of the Company had been in operation from 6th April, 2021 as per the Orders passed by Hon'ble National Company Law Tribunal, Ahmedabad Bench, the powers of Board of Directors were suspended. Therefore, instead of Board Meeting, the Consultation Meetings were called and chaired by the Interim Resolution Professional of the Company and the meetings were held on 29th June, 2021, 13th August, 2021, 25th September, 2021, 29th October, 2021 and 4th February, 2022. The intervening gap between two consecutive meetings was not more than one hundred and twenty days. Detailed information on the Meetings of the Interim Resolution Professional is included in the Corporate Governance Report, which forms part of the Annual Report.

Audit Committee and other Committees of the Board of Directors

Since the powers of the Board of Directors and committees thereof had been suspended with effect from 6th April, 2021 pursuant to the order passed by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench, the powers of the various committees viz. Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee have also been suspended with effect from the same date. Hence, no meetings of the committees were held during the year under review.

As per regulation 15(2A) & (2B) of SEBI Listing Regulations, the companies under corporate insolvency resolution process are exempted from complying with regulation 17,18,19,20 and 21 of SEBI Listing Regulations with respect to Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee respectively, provided that the roles and responsibilities of the committees specified in the respective regulation shall be fulfilled by the IRP.

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.

However, the Board being suspended due to commencement of CIR Process, the powers of the Board of Directors continued to be suspended till closing date, evaluation of Board, its Committees and individual directors has not taken place for the year 2021-22.

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 Databank. 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 and that the online proficiency self-assessment test as prescribed under the said relevant rules is applicable to them and they will attempt the said test in due course of time.

Independent Directors’ Meeting

As the commencement of CIR Process, the Board being suspended, no Independent Directors’ Meeting held during the year.

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 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 subsidiary.

Transfer of shares to IEPF demat account

The Company has transferred 92,005 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 & IRP 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. 8 and 15 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”.

All Related Party Transactions were placed before the meeting of IRP for approval. Prior omnibus approval 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 meeting of IRP on a quarterly basis. The Policy on materiality of Related Party Transactions and dealing with Related Party Transactions as approved by the IRP is uploaded on the Company's website at the link: http://www.sintex.in/wp-content/uploads/2022/04/6_related-party-transaction-policy-SINTEX_04.02.2022.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 and draft Annual Return as on 31st March, 2022 are 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’.

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

A petition for initiation of Corporate Insolvency Resolution Process filed by Invesco Asset Management (India) Pvt. Ltd. has been admitted against the Company vide NCLT, Ahmedabad bench order dated 06th April, 2021 and Mr. Pinakin Shah has been appointed as Interim Resolution Professional by NCLT, Ahmedabad Bench.

Application Made/ Proceeding Pending under the Insolvency and Bankruptcy Code, 2016

Details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year by the operational creditors are available on the official website of the NCLT i.e. www.nclt.gov.in.

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 IRP 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 IRP threaten the existence 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 IRP 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

The Interim Resolution Professional 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 acceptance of 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 IRP 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 IRP 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 (suspended during CIRP)

Place: Ahmedabad
Date: 7th November, 2022

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