



SINTEX PLASTICS TECHNOLOGY LIMITED  
ANNUAL REPORT  
2018-2019

## **FORWARD LOOKING STATEMENT**

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. Amit D. Patel, Chairman & Managing Director

Mr. Rahul A. Patel

Mr. Pravin K.Laheri

Mr. Desh Raj Dogra

Mr. Sandeep M.Singhi

Dr. Gauri S. Trivedi

Mr. Amal Dhru (w.e.f 29th March, 2019)

Mr. Dinesh Khera (w.e.f. 29th March, 2019)

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

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

Mrs. Indira J. Parikh (Upto 29th March,2019)

## AUDITORS

M/s. B S R & Associates LLP

Chartered Accountants

Ahmedabad

## REGISTRAR AND 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 AND COMPLIANCE OFFICER

Mr. Manan Bhavsar

## REGISTERED OFFICE

In the premises of Sintex-BAPL Ltd.,

Near Seven Garnala, Kalol (N.G.), Gandhinagar – 382 721

Tel (91-2764) 253500

E-mail : [info@sintex-plastics.com](mailto:info@sintex-plastics.com)

Website: [www.sintexplastics.com](http://www.sintexplastics.com)

CIN:L74120GJ2015PLC084071

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# DIRECTORS' REPORT

*Dear Stakeholders,*

Your Directors have immense pleasure in presenting the Fourth Annual Report of the Company highlighting the business and operations of the Company and the accounts for the financial year ended 31st March, 2019.

## FINANCIAL PERFORMANCE – STANDALONE & CONSOLIDATED

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2018-19	2017-18 (Restated)*	2018-19	2017-18 (Restated)*
Gross turnover	16.38	13.69	4710.95	5535.96
Gross profit	0.05	3.42	305.78	430.1
Less : Depreciation	-	-	221.52	241.09
Profit before tax	0.05	3.42	84.26	189.01
Less: Provision for taxation – current tax	2.38	-	26.35	57.45
Deferred tax	-	-	(36.54)	(42.07)
Profit/(loss) after tax from continuing operations	(2.33)	3.42	94.45	173.63
Profit/(loss) from discontinued operations before tax	-	-	-	(32.81)
Tax expense of discontinued operations	-	-	-	2.61
Profit/(loss) from discontinued operations (after tax)	-	-	-	(35.42)
Profit/(loss) for the Year	(2.33)	3.42	94.45	138.21

\*The comparative figures for the year ended March 31, 2018 has been restated in accordance with "IND-AS 8: Accounting Policies, Changes in accounting estimates and errors".

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

## FINANCIAL PERFORMANCE - CONSOLIDATED

Your Company has registered a topline of Rs. 4710.95 crores in 2018-19 against Rs 5535.96 crores in 2017-18. Gross Profit stood at Rs. 305.78 crores and the profit after tax of Rs. 94.45 crores. Consequently, the earnings per share (face value of Re. 1) stood at Rs. 1.51 (basic) and Rs. 1.49 (diluted) for financial year 2018-19.

The drop in performance was due to slow down in domestic automotive business with squeeze in liquidity, large and OEMs facing sluggishness. It was also affected by fluctuation of INR to USD and high volatility in international crude prices which posed challenges to the external environment.

## DIVIDEND

In view of loss incurred by the Company during the year under review, the Board of Directors has not recommended dividend for the Year ended on 31st March, 2019.

## TRANSFER TO RESERVES

In view of loss incurred by the Company during the year under review, the Company has not transferred any amount to reserves for the Year ended on 31st, March, 2019.

## SHARE CAPITAL

During the year under review, the Company has allotted 1,65,00,000 equity shares of Re. 1/- each per equity share on exercise of conversion by the Warrant holder and accordingly, the paid-up share capital of the Company on 31st March, 2019 stands increased to Rs. 63,10,28,422/- divided into 63,10,28,422 equity shares of Re.1/- each. As at 31st March, 2019, FCCBs worth US\$ 13.5 million (of the US\$ 67 million FCCB issue) were outstanding for conversion into equity shares.

As on 31st March, 2019, the Company has utilized full amount of Rs. 399.38 crs raised by the Company through Preferential Issue of warrants convertible into equity shares to Promoter Group Company, for repayment of the existing debt of the subsidiary(ies).

## **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 Plastics Technology develops niche solution using plastics and composites at its 35 manufacturing facilities located in nine countries. These solutions cater to critical nation-building sectors and hence are always high on Government priority. The Company enjoys a global presence through its subsidiaries. This enables cross pollination of global trends with the Indian operations and also helps in growing business for the Company as a whole.

## **PERFORMANCE OF SUBSIDIARIES**

The Company enjoys a strong presence in the European markets through its subsidiary Sintex NP SAS (Europe). In India, the Company operates through its subsidiaries Sintex-BAPL Limited (developing and delivering high-end custom moulded products and solutions to diverse sectors) and Sintex Prefab and Infra Ltd. (which undertakes EPC contracts for various infrastructure projects across the country).

Sintex-BAPL Limited: The Company's custom moulding operations can be classified into two segments 1) Application-specific standard products catering to diverse sectors and 2) Customer-specific products primarily catering to the Automotive sector, Mass transit & Electrical sectors. The Company has subsidiaries namely BAPL Rototech Pvt. Limited, Sintex Logistics LLC and Sintex NP –with specific strategic road maps for each.

Application-specific custom moulded products: This business segment registered a healthy performance as the Company worked on strengthening its presence in the Indian landmass. New product launches and a greater focus on creating product awareness improved product acceptability increased business volumes. In addition, the Key Account Management process facilitated in strengthening relations with sector experts, opinion makers, decision influencers and corporate clients. This initiative also helped in generating additional volumes.

Customer-specific custom moulding: This high-value business vertical reported improved growth numbers as business from the automotive sector improved over the previous year. Moreover, the Company added new SKUs to its product offering to existing customers; it also received product approvals from new OEM in the automotive space operating in India – these factors augur well for an improved performance going forward.

The team also made considerable headway in the precision parts space – in the electrical components segment, it garnered additional volumes from existing customers while in the auto space it secured business from new global clients.

BAPL Rototech Pvt. Limited: While business from existing clients continued unabated, the Company made a significant breakthrough by establishing relations with Tata Motors – for this, the Company is setting up a manufacturing and assembling facility dedicated to cater to the client's needs. Besides, the domestic operations, the Company registered substantial growth in its exports business.

Sintex Logistics LLC: The Company cemented its relations with Cummins US and resumed business relations with other global corporates such as Alstom and Siemens. In addition, the Company increased its capability matrix which facilitated in securing big

programs namely AMTRAK, CALIDOT, PHOENIX from Alstom and Siemens to be delivered in upto next three years.

Sintex NP: The European operations witnessed healthy growth through most part of 2018; however, growth remained muted towards the close of the year due to the economic and automotive slowdown in Europe.

Sintex Prefab and Infra Limited: The Company is a Pan-India player offering range of products from Mid-day meal kitchens to classrooms, health care centres, project & site offices, sanitation, police chowkis, Labour camps, bunk houses, army shelters and cold chains among others. The Company focuses purely on private sector business and reduced government exposure. Due to this Company's performance was subdued during the year under review.

## **CHANGES IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES/WHOLLY OWNED SUBSIDIARIES**

There was no change in the status of Subsidiaries, Associates and Joint Ventures/Wholly-Owned Subsidiaries during the year under review.

## **CORPORATE SOCIAL RESPONSIBILITY**

During the year under review, the provisions for Corporate Social Responsibility under Section 135(1) of the Companies Act, 2013 were not applicable to the Company.

## **INTERNAL FINANCIAL CONTROLS ("IFC") 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.

## **Response to qualifications with respect to Internal Financial controls made by the statutory auditors in Consolidated Audit Report:**

Board of Directors of the Company took cognizance of the qualifications made with respect to weaknesses in areas of revenue

recognition & general IT controls and will take necessary corrective measures to address the said weaknesses, during the current financial year.

## STATUTORY AUDITORS AND AUDITORS' REPORT

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W-100024), were appointed as Statutory Auditors of the Company at 3<sup>rd</sup> Annual General Meeting (AGM) of the Company held on 17<sup>th</sup> September, 2018 to hold office for term of 5 years i.e. till the conclusion of the 8<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2023.

### Responses to qualifications, observations & emphasis of matter made by the statutory auditors in Consolidated Audit Report:

**Audit Qualifications:** Please refer to the section of "Basis of Qualified Opinion" of the Independent Auditors' Report on Consolidated Financial Statements.

**Explanation and comments of the Board on Audit Qualifications:** Several Term loan facilities of Sintex-BAPL Limited, the Wholly Owned Subsidiary of the Company had certain financial debt covenants to be adhered to, but there was breach in the covenants for some of the term loan facilities as on 31.03.2019. Due to this breach, the Statutory auditors have opined that borrowing for which confirmation regarding continuance of applicability of original repayment schedule has not been received amounting to Rs. 672.28 Crores are required to be classified as Current Borrowings as loans becomes payable on demand as per terms of agreement with those lenders. However in the opinion of the Board of the Company, term loan repayment schedules of these term loans will be as per the originally sanctioned terms, hence the same are classified as Non-Current Borrowings.

**Emphasis of matter:** Please refer to the section of "Emphasis of matter" of the Independent Auditors' Report on Consolidated Financial Statements.

**Explanation and comments of the Board on Emphasis of matter:**

- 1) As mentioned in point no. 1 of Emphasis of matter of Independent Auditors' Report on Consolidated Financial Statements, the comparative information for the Financial Year ended 31<sup>st</sup> March, 2018 has been restated in the Consolidated Financial Statements in accordance with "IND AS 8: Accounting Policies, Changes in Accounting Estimates and Errors". This point is self-explanatory in nature.
- 2) As mentioned in point no. 2 of Emphasis of matter of Independent Auditors' Report on Consolidated Financial Statements, valuation of brand at fair value recognised in Financial Statements of Sintex-BAPL Limited, the Wholly Owned Subsidiary of the Company is as per court approved composite scheme of arrangement. As per requirements of IND-AS 36: Impairment of Assets", to test the impairment of assets having indefinite useful life, the valuation of "Sintex" brand amounting to Rs. 1500 Crores at fair value is carried out by independent valuer and according to report of Independent valuer, there is no impairment in the value of brand.
- 3) As mentioned in point no. 3 of Emphasis of matter of Independent Auditors' Report on Consolidated Financial Statements with regard to non-compliance of Foreign Exchange Management Act, 1999 by one of the subsidiaries of the Company, the subsidiary company is presently in the process of regularizing the same. Management is of the view that there would not arise any significant penalty from the said non-compliance.

The statement on impact of Audit Qualifications for audit report with modified opinion is attached along with Consolidated Audited Financial Statements.

The notes on financial statement referred to in the Auditor's Report except above mentioned qualifications, observations and emphasis of matter are self-explanatory and do not call for any further comments. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

## 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, Practicing 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 A'. 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. Amit D. 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.

Pursuant to provisions of Regulation 17(1A) of the SEBI (LODR) Regulations, 2015, a special resolution including justification for continuance of directorship of Mr. Pravin K. Laheri, Non-Executive Independent Director of the Company (who is about to attain the age of seventy five years) till the expiry of his term is provided in the Notice of the Annual General Meeting.

During the year under review, Mr. Arun P. Patel, Mr. Dinesh B. Patel and Mrs. Indira J. Parikh ceased to be Directors of the Company w.e.f. 29<sup>th</sup> March, 2019 due to resignation tendered by them owing to age criterion prescribed under Regulation 17(1A) of the SEBI (LODR) Regulations, 2015. Mr. Amal Dhru and Mr. Dinesh Khera were appointed as Additional Directors in the category of Independent Directors of the Company w.e.f. 29<sup>th</sup> March, 2019. Mr. Amal Dhru and Mr. Dinesh Khera hold the office up to the ensuing Annual General Meeting of the Company. The Company has received notices from a Member proposing appointment of both Mr. Amal Dhru and Mr. Dinesh Khera as Directors of the Company pursuant to the provisions of Section 160 of the Companies Act, 2013. The Board of Directors of the Company has recommended appointment of Mr. Amal Dhru and Mr. Dinesh Khera as Independent Directors under the Companies Act, 2013, to hold office till the conclusion of the 8<sup>th</sup> Annual General Meeting of the Company to be held in the calendar year 2023.

The Board places on record its deep appreciation of the valuable services rendered as well as advice and guidance provided by Mr. Arun P. Patel, Mr. Dinesh B. Patel and Mrs. Indira J. Parikh during their tenure.

Brief details of Director(s) proposed to be appointed/re-appointed as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards-2 issued by the Institute of Company Secretaries of India are provided in the Notice of the Annual General Meeting.

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.

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.

During the year review, Mr. Ankit Somani resigned as a Company Secretary & Compliance Officer and Key Managerial Personnel of the Company w.e.f. 16th July, 2018 and Mr. Manan Bhavsar was appointed as a Company Secretary & Compliance Officer and Key Managerial Personnel of the Company w.e.f. 17th July, 2018. Mr. Gaurav Agrawal resigned as a Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 30th May, 2019 and Mr. Yashpal Jain was appointed as a Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 6th June, 2019.

#### **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE:**

The Company has taken Directors' and Officers' Liability Policy to provide coverage against the liabilities arising on them.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out a formal annual evaluation of the performance of the Board itself, its Committees and of individual directors 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, which forms part of the Annual Report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanations obtained, 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 the 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 Plastics ESOP 2018**

The Company has instituted the Sintex Plastics Technology 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. The

Scheme of ESOP Plan is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. A total of 30,00,000 options would be available for grant to the eligible employees of the Company and its subsidiaries and directors of the Company, excluding independent directors under the ESOP Plan. During the year under review, the Company has not granted any stock options pursuant to ESOP Plan.

The certificate from the Statutory Auditors of the Company certifying that the Company's ESOP Plan is being implemented in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014 and the resolution passed by the Members, would be placed at the AGM for inspection by Members.

Details as specified by SEBI under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 are available from time to time on website of the Company at the link <http://www.sintexplastics.com/investors/>.

#### **Secretarial Standards**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

#### **MEETINGS OF THE 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, 4 Board Meetings were convened and held on 9th May, 2018, 16th July, 2018, 26th October, 2018 and 23rd January, 2019. The intervening gap between the 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.

#### **COMMITTEE OF BOARD OF DIRECTORS**

In compliance with the requirements 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. Nomination and Remuneration Committee
- iii. Stakeholders' Relationship Committee
- iv. Share & Debenture Transfer Committee

#### **AUDIT COMMITTEE**

The Audit Committee consists of four Members viz. Mr. Amal Dhru (Chairman), Mr. Dinesh Khera (Member), Mr. Sandeep M. Singhi (Member) and Mr. Amit D. Patel (Member) as on 31st March, 2019. There was no instance, 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 23rd 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.

## STATEMENT OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ISSUE OF WARRANTS

Pursuant to Regulation 32(7A) of the SEBI (LODR) Regulations, 2015, a statement of Utilization of funds raised through Preferential Issue of Warrants as on 31st March, 2019 is provided in report on Corporate Governance.

## POLICIES

### • Remuneration policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of the Directors, the senior management and their remuneration. The details of remuneration policy are stated in the Corporate Governance Report.

### • Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

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 new "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" ("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.

### • Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons

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.

### • 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.sintexpastics.com/investors/policies/>.

### • Policy for Determining Material Subsidiaries

Pursuant to amendments in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company 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 4 and 8 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-B to the Board's Report.

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 25 to Standalone Financial Statements.

## Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting going concern status

No significant or material orders are passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's future operations.

## 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.sintexplastics.com](http://www.sintexplastics.com)

### 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 extract of annual return in Form No. MGT-9 forms part of this report as 'Annexure - C'.

Extract of annual return in Form No. MGT-9 is placed on the Company's website at the link <http://www.sintexplastics.com/investors/>.

### BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended 31st March, 2019 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed, which forms part of this report as 'Annexure -D'.

#### 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.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, since the Company was not engaged in manufacturing business. Hence, there is no such information which is required to be appended pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014.

### 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.

### MAINTAINANCE OF COST RECORDS

Cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is not required to be maintained by the company and hence, such accounts and records are not made and maintained.

### INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

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

During the year under review, there was no case filed pursuant to 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.

### ACKNOWLEDGEMENT

Your Directors would like to express their appreciation for the assistance and co-operation received from the Banks, Members, Esteemed Customers and Suppliers & Buyers during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Employees of the Company.

BY ORDER OF THE BOARD OF DIRECTORS

Date: May 30, 2019  
Place: Ahmedabad

**Amit D. Patel**  
Chairman & Managing Director  
DIN: 00171035

# ANNEXURE – A TO DIRECTORS' REPORT

Form No. MR-3

## SECRETARIAL AUDIT REPORT

for the financial year ended 31.03.2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**SINTEX PLASTICS TECHNOLOGY LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sintex Plastics Technology Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Sintex Plastics Technology Limited ("the Company") for the financial year ended on 31st March, 2019 according to the provisions of:

- (i). The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii). The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii). The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv). Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v). The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (upto November 10, 2018) and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (w.e.f. November 11, 2018);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not applicable to the Company during the Audit Period)
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (up to September 10, 2018) and The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018 (w.e.f. September 11, 2018) (Not Applicable to the Company during the Audit Period);
  - i. SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015 :
- (vi). The Company having no major business activity, no other specific laws were applicable to the Company