

Ref No: SEC/NSE/BSE/2020-21  
June 25, 2020

**The Manager, Capital Market (Listing)**  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No : C/1, G Block,  
Bandra Kurla Complex,  
Bandra (E), Mumbai-400 051

**Stock Code: Equity – Sintex EQ**

**The Corporate Relationship Dept.**  
**BSE Limited**  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Mumbai-400 001  
**Stock Code: Equity 502742**  
**Security Code of** 950353  
**Debt** 951037  
**Instruments:** 952870

Dear Sir,

**Sub.: Approval of Annual Audited Financial Results of the Company for the Year ended on 31<sup>st</sup> March, 2020 and Outcome of the Board Meeting held on 25<sup>th</sup> June, 2020**

1. We hereby inform you that the Board of Directors of the Company, at its Meeting held on 25<sup>th</sup> June, 2020, approved the Standalone and Consolidated Annual Audited Financial Results of the Company for the Year ended on 31<sup>st</sup> March, 2020.
2. In view of losses incurred by the Company, the Board of Directors has not recommended dividend for the Year ended on 31<sup>st</sup> March, 2020.
3. Pursuant to Regulation 33 & 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:
  - Standalone and Consolidated Annual Audited Financial Results of the Company for the Year ended on 31st March, 2020.
  - Auditors Report on Audited Financial Results – Standalone and Consolidated.
  - A declaration to the effect that Pursuant to the SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, there is unmodified opinion with respect to the Annual Audited Financial Results (Standalone and Consolidated) for the Year ended March 31, 2020.
4. Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of SEBI Circular No CIR/CFD/CMD/4/2015 dated September 9, 2015, the Board of Directors of the Company, at the said Meeting;

Appointed Mrs. Keerti Lachhwani (DIN: 0008757712) as Additional Independent Woman Director on the Board of Directors of the Company w.e.f. 25<sup>th</sup> June, 2020. Mrs. Keerti Lachhwani aged about 41 years is a qualified Company Secretary by

**SINTEX INDUSTRIES LIMITED**

Regd. Office : Kalol-382 721, Dist. Gandhinagar, Gujarat, India.  
Ph: +91-2764-253000, Fax : +91-2764-222868 Email : bvm@sintex.co.in  
CIN : L17110GJ1931PLC000454



Investor Relationship Cell:  
7th Floor, Abhijit Building-I, Mithakhali Six Roads,  
Ellisbridge, Ahmedabad – 380 006, Gujarat.  
Ph. : 079-26420045, Email : share@sintex.co.in  
[www.sintex.in](http://www.sintex.in)

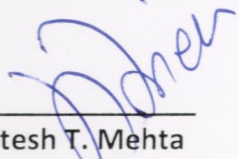
qualification & having master degree in Commerce and has more than 15 years of experience in secretarial compliances and legal matters. None of the existing Directors are related to Mrs. Keerti Lachhwani. Her terms of appointment are as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

The meeting of Board of Directors commenced at 2.00 p.m. and concluded at 4.55 p.m.

You are requested to bring this to the notice of all concerned.

Yours faithfully,

**For SINTEX INDUSTRIES LIMITED**

  
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**Hitesh T. Mehta**  
**Company Secretary**



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# Sintex Industries Limited

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**SINTEX**  
ACTIVE THINKING

## Statement of Audited Standalone Financial results for the Quarter & Year ended 31st March, 2020

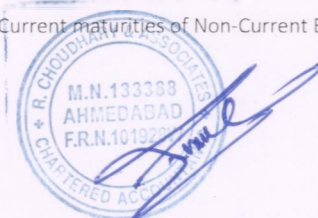
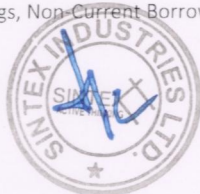
(Rs. in Crores except per share data)

Sr No	Particulars	Audited	Unaudited	Audited	Audited	
		Quarter ended			Year ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
1	Income					
	(a) Revenue from operations	456.64	416.36	661.42	1,634.92	2,820.77
	(b) Other Income	3.88	8.06	15.70	27.51	91.55
	Total Income	460.52	424.42	677.12	1,662.43	2,912.32
2	Expenses					
	(a) Cost of materials consumed	318.07	293.69	436.23	1,103.42	1,806.25
	(b) Changes in inventories of finished goods, work-in-progress and stock in trade	(4.02)	(0.69)	32.94	79.55	(24.24)
	(c) Employee benefits expense	33.95	35.42	37.46	157.50	178.59
	(d) Finance Costs	220.99	186.44	65.88	742.03	208.82
	(e) Depreciation and amortisation expense	70.65	71.44	61.49	284.40	232.42
	(f) Other expenses	193.71	127.55	166.31	630.20	474.07
	Total expenses	833.35	713.85	800.30	2,997.10	2,875.91
3	Profit before tax (1) - (2)	(372.83)	(289.43)	(123.18)	(1,334.67)	36.41
4	Tax expense/(benefit)					
	(a) Current tax (net of MAT credit entitlement)	-	-	(23.20)	-	8.66
	(b) Deferred tax	(78.43)	2.43	(14.36)	(78.57)	10.27
	(c) Short/(Excess) provision of tax for earlier years	(0.44)	-	-	(6.12)	(1.72)
	Tax expense/(benefit)	(78.87)	2.43	(37.56)	(84.69)	17.21
5	Net Profit after tax (3) - (4)	(293.96)	(291.86)	(85.62)	(1,249.98)	19.20
6	Other Comprehensive Income					
	(a) Items that will not be reclassified to profit or loss	(1.97)	(0.05)	(1.92)	(2.19)	(11.78)
	(b) Income tax effect on above	-	-	(0.60)	-	(0.60)
	(c) Items that will be reclassified to profit or loss	-	-	-	-	-
	(d) Income tax effect on above	-	-	-	-	-
7	Total Comprehensive Income (5+6)	(295.93)	(291.91)	(88.14)	(1,252.17)	6.82
8	Paid-up equity share capital (Face value of Rs.1 each)	59.41	59.41	59.41	59.41	59.41
9	Other Equity				3,070.11	4,336.82
10	Earnings per share (Face value of Rs. 1 each)					
a	Basic (in Rs.)	(4.95)	(4.91)	(1.44)	(21.04)	0.32
b	Diluted (in Rs.)	(4.95)	(4.91)	(1.44)	(21.04)	0.32
11	Debenture Redemption Reserve				111.03	111.03
11	Net worth				3,129.51	4,396.23
13	Debt Equity Ratio				2.29	1.49
14	Debt Service Coverage Ratio				(0.66)	0.39
15	Interest Service Coverage Ratio				(0.90)	1.19

Formula for computation of ratios are as follows:-

- \* **Debt Service Coverage Ratio** = Earnings before Interest, Tax and Exceptional Items / Interest Expense + Principal Repayments made during the period for long term loans
- \* **Interest Service Coverage Ratio** = Earnings before Interest, Tax and Exceptional Items / Interest Expense
- \* **Debt Equity Ratio** = Total debt / (Paid up Equity Capital + Reserves and Surplus)

Total Debt represents Current Borrowings, Non-Current Borrowings and Current maturities of Non-Current Borrowings.



- 1) The above financial results of the Company were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 25th June, 2020. The Statutory Auditors of the Company have expressed unmodified opinion on the aforesaid results.
- 2) These financial results have been prepared in accordance with Indian Accounting Standards (Ind- AS) as prescribed under section 133 of Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and relevant amendment thereafter.
- 3) The figures for quarter ended March 31, 2020 and March 31, 2019 are balancing figures between the audited figures of the full financial year and the reviewed year to date figure upto the third quarter of the relevant financial year.
- 4) With respect to USD 110 Million Foreign Currency Convertible Bonds due 2022 (FCCBs) raised by the Company, there are USD 13.5 Million FCCBs outstanding for conversion as on 31st March, 2020. Further, company has defaulted in payment of Interest amounting to USD 0.24 Million for the period 25th May'19 to 25th Nov'19
- 5) The listed Non-Convertible Debentures of the Company aggregating to Rs. 500 Crore outstanding as on 31st March, 2020 are secured by way of first pari-passu charge on the Company's certain properties and the asset cover thereof exceeds one hundred twenty five percent of the principal amount of the said debentures.
- 6) Details of Secured Non-Convertible Debentures of Sintex Industries Limited are as follows:

Sr No	Particulars	Previous Due Date (1st October 19 till 31st March 20)		Next Due Date (1st April 20 till 30th September 20)	
		Principal	Interest	Principal	Interest
1	Rs. 112.50 Crores	-	11th December, 2019 11th March, 2020	11 <sup>th</sup> June, 2020	11th June, 2020 11th Sept, 2020
2	Rs. 137.50 Crores	-	30th December, 2019 30th March, 2020	30 <sup>th</sup> September, 2020	30th June, 2020 30th Sept, 2020
3	Rs. 250.00 Crores	-	8th October, 2019 8th January, 2020	-	8th April, 2020 8th July 2020
<b>Total</b>	<b>Rs. 500.00 Crores</b>				

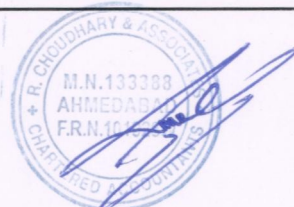
7) The company is undergoing substantial financial stress and severe liquidity constraints since last ten months coupled with changed industrial dynamics, time and cost overrun in completion of its projects, reduction in subsidies and incentive benefits with delay in disbursements, Covid related disruptions etc. which has resulted into reduction in capacity utilization of its plants and, therefore, steep fall in sales volume and incurring of losses. The company has defaulted in debt obligation of debentures aggregating to Rs. 466.67 Crores for the period April'19 to March 20 apart from other credit facilities. Further, Company's inability to meet its obligation in relation to the payment of certain letters of credit which led to devolvement and consequent over utilization of the cash credit facilities availed by the Company for more than 30 days, delay in payment of certain term loan instalments as well as interest thereof and in view of the same on 12th June, 2019 the Company has suffered downgrades in its credit rating from "BWR A-Stable" to "BWR D-Stable". However, Company has made provision for interest for FY 2019-20.

The company submitted a Comprehensive Resolution Plan to all the lenders involving the re-structuring of debt availed. The proposal was prepared in accordance with the requirement set out in the circular issued by the Reserve Bank of India No. RBI/2018-19/203.DBR NO BP BC 45/21 04 048/2018-19 dated 7th June, 2019, which was not accepted in all lenders meeting held on 5th July, 2019. The Inter-Creditor Agreement (ICA) for a potential restructuring of the company's liabilities was signed on 6th July, 2019. The company submitted a revised Resolution Plan to lenders on 16th December, 2019, which was not accepted by the lenders due to higher provisioning requirement, post which petition has been filed by the financial creditors before the National Company Law Tribunal (NCLT), Ahmedabad under Section 7 of Insolvency and Bankruptcy Code, 2016 for initiating Corporate Insolvency Resolution Process (CIRP) against the company. The petition has yet not got admitted. The ability of the company to continue as going-concern is predicated upon the outcome of CIRP and scale up of company level of operations post Covid 19. In view of the same, results have been prepared on the basis that the company is a going-concern.

8) On account of the high cost of operations and to create synergies of having operations at a single location, the management of the company is evaluating to shift manufacturing facilities of structured fabrics from its existing location at Kalol to its Yarn division at Vill. Lunsapur Tal. Jafraabad, Dist. Amreli. In view of this, the manufacturing operations of structured fabrics (except bleaching facility) at Kalol is discontinued effective from 1st July, 2019. The land and factory building of its Kalol plant will be disposed of after obtaining requisite approvals including from lenders, the proceeds of which shall be utilized for repayment of borrowings. The net realizable value of these assets held for disposal as estimated by the management is in excess of its carrying value as per books of accounts of the company. The management of the company has assessed whether any provision needs to be recognised on account of the impairment of assets in respect of property, plant and equipment of its Textile Division, which shall be shifted to and shall become an integral part of its Yarn division at Vill. Lunsapur and, therefore, Considering all relevant factors, the management has determined that there is no impairment loss which needs to be provided for.

9) Ind AS 12, "Income Taxes" requires the company to determine probability of sufficient taxable income to utilize the deferred tax assets including MAT credit. Considering the factors described in Note 7 above, the company is of the view to recognize deferred tax assets of Rs. 78.57 Crores (i.e. to the extent of deferred tax liability outstanding) upto 31st March 2020.

10) Insurance claims aggregating to Rs. 24.77 crores comprising of claim of Rs. 23.09 crores of F.Y. 2016-17 and Rs.1.68 crores of F.Y. 2018-19 are outstanding as on 31st March, 2020. The company has received provisional claim of Rs. 11.10 Crores in the month of Oct'19 against total claim of Rs. 12.78 Crores for the FY 18-19, while balance amount is expected to be received in FY 20-21. The insurance company has repudiated claim pertaining to FY 2016 - 17. Management of company is in the process of filing reply against the same and is hopeful of settling the claims in full. If required, company would also explore to take legal actions for recovery of outstanding claim.



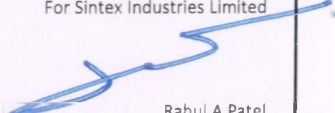


- 11) Rs. 326.96 crores is outstanding as at 31st March, 2020 for subsidies receivables including interest subsidy of Rs. 210.96 crores receivable under Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS) announced by Ministry of Textiles, Government of India for various years from F.Y. 15-16 to F.Y. 19-20 upto May, 2019. This amount of subsidy benefit recognized is reduced from the borrowing costs in the respective years. The management is perusing for recovery of this amount of subsidy and is hopeful of realization of this amount.
- 12) In view of the continuing default in payment of dues, most of the lenders have sent notices / letters recalling their loans given and called upon the Company to pay entire dues and other liabilities. Hence in view of the said facts & considering the matter of prudence, whole of the longterm borrowing outstanding as on 31st March'20 has been classified as current borrowings.
- 13) The Company operates in Textile business which is the only reportable segment in accordance with the requirements of Ind-AS 108 "Operating Segments".
- 14) As per the Standard, it is at the option of the company to apply IND AS 116 for the short-term leases (period of 12 months or less) & low value assets. Since all major lease agreements are for a period of 12 months and 1 of the long term lease is of low value, we have availed the exception. Lease Payments associated with short term \ low value leases shall be recognized as an expense on straight-line basis. Apart from this, there are no other assets taken on lease and hence IND AS 116 is not applicable.
- 15) Company's operations were impacted in the month of March 2020 due to shutdown of Lunsapur plant following nationwide lockdown by the Government of India in view of COVID-19, a pandemic caused by the novel Coronavirus. Company is monitoring the situation closely. From 12th April 2020, operations have commenced in a phased manner with enforcement of strict working restrictions. The ability of the company to continue as going concern is predicted upon the outcome of CIRP and scale up of operations. The scale up of operations may be different then targeted, considering substantial volatility in market and risk awareness, for which company will keep updated.
- 16) The Company has decided not to opt new taxation scheme of Section 115BAA of the income tax Act 1961, Introduced by the Taxation Law (Amendment) ordinance 2019 effective from financial 2019-2020 in view of MAT Credit Availability, Accumulated Losses and Unabsorbed Depreciation.
- 17) We confirm that we are a Large Corporate, however considering rating of the company, applicability criteria given under SEBI circular no. SEBI/HO/ DDHS/CIR/P/2018/144 dated November 26, 2018 is not applicable.
- 18) In view of losses incurred by the Company, the Board of Directors has not recommended dividend for the year ended on 31st March'20.
- 19) During the year ended 31st March 2020, the company has not granted any options under the "Sintex ESOP 2018" to Eligible employees of the Company.
- 20) Figures of the previous quarter/ year to date have been regrouped, wherever necessary to make it comparable.

Place: Ahmedabad  
Date: 25th June, 2020



For Sintex Industries Limited

  
Rahul A Patel  
Chairman and Managing Director  
DIN: 00171198

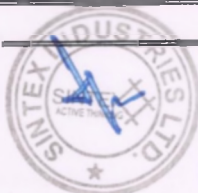


# SINTEX INDUSTRIES LIMITED

Standalone Balance Sheet as at March 31, 2020

(₹ In crores)

	Particulars	As at March 31, 2020	As at March 31, 2019
I	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	(a) Property, plant and equipment	8,011.06	8,302.32
	(b) Capital work-in-progress	1,065.12	1,009.53
	(c) Intangible assets	2.41	3.26
	(d) Financial assets		
	(i) Investments	40.08	7.78
	(ii) Loans	3.54	4.55
	(e) Other non-current assets	384.01	349.20
	(f) Non-current tax assets (net)	46.90	57.49
	<b>Total non-current assets</b>	<b>9,553.12</b>	<b>9,734.13</b>
	<b>Current assets</b>		
	(a) Inventories	119.09	240.53
	(b) Financial assets		
	(i) Investments	-	0.53
	(ii) Trade receivables	163.63	484.36
	(iii) Cash and cash equivalents	11.38	73.72
	(iv) Bank balances other than (iii) above	-	-
	(v) Loans	62.08	108.71
	(c) Other current assets	648.63	811.18
	<b>Total current assets</b>	<b>1,004.81</b>	<b>1,719.03</b>
	<b>TOTAL ASSETS</b>	<b>10,557.93</b>	<b>11,453.16</b>
II.	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity share capital	59.41	59.41
	(b) Other equity	3,070.11	4,336.82
	<b>Total equity</b>	<b>3,129.52</b>	<b>4,396.23</b>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	0.00	4,537.44
	(b) Provisions	5.44	10.11
	(c) Deferred tax liabilities (Net)	0.00	86.94
	<b>Total non-current liabilities</b>	<b>5.44</b>	<b>4,634.49</b>
	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	1,487.71	777.14
	(ii) Trade payables		
	(a) Total outstanding dues of Micro and Small Enterprise	4.08	10.63
	(b) Total outstanding dues of creditors other than micro and small enterprise	168.58	357.69
	(iii) Other financial liabilities	5,753.96	1,258.31
	(b) Other current liabilities	3.37	14.90
	(c) Provisions	5.27	3.77
	<b>Total current liabilities</b>	<b>7,422.97</b>	<b>2,422.44</b>
	<b>Total liabilities</b>	<b>7,428.41</b>	<b>7,056.93</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,557.93</b>	<b>11,453.16</b>



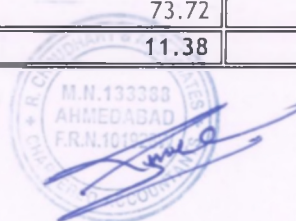


# SINTEX INDUSTRIES LIMITED

Standalone Statement of cash flows for the year ended March 31, 2020

(₹ in crores)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
Net profit before tax	(1,334.67)	36.41
Adjustments for:		
Unrealised Forex Loss	40.73	-
Profit on sale of investments	-	(0.01)
Provision for advances and Subsidy and Bad Debts written off	228.41	-
Excess Provision of earlier year written back	-	(4.17)
Interest income	(15.15)	(16.98)
Depreciation and amortisation expenses	284.40	232.42
Finance cost	742.03	208.82
Loss/(gain) on sale/ impairment of property, plant and equipment	0.04	(0.38)
<b>Operating profit before working capital changes</b>	<b>(54.21)</b>	<b>456.11</b>
<b>Adjustments for increase/decrease in Operating Assets/ Liabilities:</b>		
Trade receivables, loans and other assets	301.69	(246.67)
Inventories	121.44	272.71
Trade payables, other liabilities and provisions	(167.59)	528.20
<b>Cash generated from operations</b>	<b>201.33</b>	<b>1,010.35</b>
Direct taxes (paid)/Refund	16.71	(26.28)
<b>Net cash generated from operations (A)</b>	<b>218.05</b>	<b>984.07</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment/addition to capital-work-in progress(net)	(117.43)	(1,426.06)
Sale of fixed assets	1.40	0.90
(Purchase)/sale of current investments	0.53	0.11
Interest received	15.94	22.07
Bank deposits received/( placed )	-	107.05
<b>Net cash used in investing activities (B)</b>	<b>(99.56)</b>	<b>(1,295.93)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	-	948.33
Repayments of long term borrowings	(253.34)	(395.81)
Net increase/(decrease) in working capital borrowings	272.43	(45.04)
Interest Paid	(199.81)	(211.29)
Dividend paid	(0.11)	(7.11)
<b>Net cash generated from financing activities (C )</b>	<b>(180.83)</b>	<b>289.08</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(62.34)</b>	<b>(22.78)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>73.72</b>	<b>96.50</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>11.38</b>	<b>73.72</b>





*R. CHOUDHARY & ASSOCIATES*

Chartered Accountants

Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the company Pursuant to the Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

TO  
THE BOARD OF DIRECTORS OF  
SINTEX INDUSTRIES LIMITED

#### Opinion

We have audited the accompanying statement of standalone financial results of **Sintex Industries Limited** ("the Company"), for the three months and year ended March 31, 2020 ("the Statement"), being submitted by the company pursuant to the requirements of regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In Our Opinion and to the best of our Information and according to the explanations given to us, the Statement:

- is presented in accordance with requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended; and
- gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the company for the quarter and year ended March 31, 2020.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial results.







### Emphasis of Matter

- i. We draw attention to Note 7 of the standalone financial result, which states that the company's credit rating has been downgraded, which may substantially impair its ability to raise or generate funds to repay its obligations. As described in said Note, the company's ability to continue as going-concern depends on outcome of CIRP and scale up company level of operations. All the current developments raise doubt on the ability of the company to continue as going concern and, therefore, it may be unable to realize its asset and discharge its liabilities in the normal course of business. The ability of the company to continue as going concern is dependent upon the factors described in the said Note, which are not within the company's control. The management has prepared the statement following going concern basis of accounting based on their assessment of the successful outcome of above referred actions and accordingly, no adjustments have been made to the carrying value of assets and liabilities, which may affect the results shown in the statement.
- ii. We draw attention to Note 8 to the standalone financial result with respect to impairment of assets. As described in the said note, the management has determined that there is no impairment of assets. This estimate and judgment of the management being inherently subjective and technical as well as considering the facts of the case, we have relied upon the management representation.
- iii. We draw attention to Note 9 to the standalone financial result with respect to recognition of deferred tax assets. As stated in the said Note, deferred tax asset has been recognized to the extent of deferred tax liabilities amounting to Rs. 78.57 Crores outstanding as on 31<sup>st</sup> March 2020.
- iv. We draw attention to Note 10 to the standalone financial result with respect to insurance claim receivable of Rs 24.77 Crores lodged in the earlier years which are outstanding as on 31<sup>st</sup> March, 2020 for settlement of which management of company is in the process of filing reply against the same and is hopeful of settling the claims in full. If required, company would also explore to take legal actions for recovery of outstanding claim.





- v. We draw attention to Note 11 to the standalone financial result with respect to realization of subsidies aggregating to Rs 210.96 Crores. As per the information and explanations furnished to us, the management is taking necessary actions for realization of these subsidies and as stated in the said Note, management is perusing for recovery of this amount of subsidy.
- vi. We draw attention to Note 12 to the standalone financial result with respect to continuing default in payment of dues, most of the lenders have sent notices / letters recalling their loans given and called upon the Company to pay entire dues and other liabilities. Hence in view of the said facts & considering the matter of prudence, whole of the long-term borrowing outstanding as on 31st March'20 has been classified as current borrowings.
- vii. We draw attention to Note 15 to the standalone financial result with respect to assessment of the recoverability of certain assets, the management has considered internal and external information upto the date of this report in respect of the current and estimated future global including Indian economic indicators consequent to the global health pandemic of Covid 19. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

Our Opinion is not modified in respect of this matter.

### Management's Responsibility for the Standalone Financial Results

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial results that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone







financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

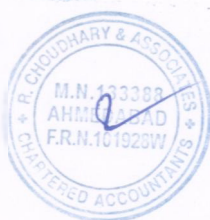
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.





- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial results of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we







*R. CHOUDHARY & ASSOCIATES*

Chartered Accountants

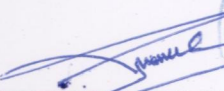
determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

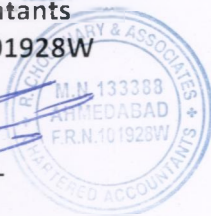
**Other Matters**

- a. The Standalone financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figure in respect of the full financial Year and the published unaudited year to date figures up to the third quarter of the current financial year which subject to limited review by us.

Our report on the statement is not modified in respect of this matter.

For, R Chaudhary & Associates  
Chartered Accountants  
Firm Regn. No: 101928W

  
K M Chaudhary  
(Partner)  
M. No.: 133388



Place: Ahmedabad  
Date: 25<sup>th</sup> June, 2020

UDIN: - 20133388AAAAJZ8049

# Sintex Industries Limited

Regd. Office : Kalol - 382 721, India

Phone: (02764) - 253000 & Fax No. (02764) 222868

E-mail : share@sintex.co.in Website : www.sintex.in

CIN : L17110GJ1931PLC000454



## Statement of Audited Consolidated Financial results for the Quarter & Year ended 31st March,2020

(Rs. in Crores except per share data)

Sr No	Particulars	Audited	Unaudited	Audited	Audited	
		Quarter ended			Year ended	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
1	Income					
	(a) Revenue from operations	444.70	421.70	591.54	1,701.19	3,256.95
	(b) Other Income	6.17	8.83	9.01	40.11	119.31
	Total Income	450.87	430.53	600.55	1,741.30	3,376.26
2	Expenses					
	(a) Cost of materials consumed	318.07	293.69	427.92	1,097.22	1,769.31
	(b) Purchase of stock in trade	0.00	(0.00)	1.83	0.18	420.42
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	(16.69)	4.08	(47.26)	152.78	0.21
	(d) Employee benefits expense	34.01	35.45	37.48	157.66	178.71
	(e) Finance Costs	221.65	186.84	69.71	747.58	225.65
	(f) Depreciation and amortisation expense	70.66	71.45	61.51	284.45	232.46
	(g) Other expenses	195.36	129.64	180.66	643.82	511.98
	Total expenses	823.07	721.15	731.86	3,083.69	3,338.74
3	Profit before tax (1) - (2)	(372.19)	(290.62)	(131.31)	(1,342.39)	37.52
4	Tax expense/(benefit)					
	(a) Current tax (net of MAT credit entitlement)	-	-	(25.29)	-	9.41
	(b) Deferred tax	(77.62)	2.14	(14.75)	(79.86)	9.38
	(c) Short/(Excess) provision of tax for earlier years	(0.44)	-	-	(6.12)	(3.29)
	Tax expense/(benefit)	(78.06)	2.14	(40.04)	(85.98)	16.00
5	Net Profit after tax (3) - (4)	(294.13)	(292.76)	(91.27)	(1,256.41)	21.52
6	Other Comprehensive Income					
	(a) Items that will not be reclassified to profit or loss	(1.97)	(0.05)	(1.92)	(2.19)	(11.78)
	(b) Income tax effect on above	-	-	(0.60)	-	(0.60)
	(c) Items that will be reclassified to profit or loss	-	-	-	-	-
	(d) Income tax effect on above	-	-	-	-	-
7	Total Comprehensive Income (5+6)	(296.10)	(292.81)	(93.79)	(1,258.60)	9.14
8	Paid-up equity share capital (Face value of Rs. 1 each)	59.41	59.41	59.41	59.41	59.41
9	Other Equity				3,080.60	4,353.35
10	Earnings per share					
a	Basic (in Rs.)	(4.95)	(4.93)	(1.54)	(21.15)	0.36
b	Diluted (in Rs.)	(4.95)	(4.93)	(1.54)	(21.15)	0.36
11	Debenture Redemption Reserve				111.03	111.03
12	Net Worth				3,140.01	4,412.76





**Notes to the audited Consolidated Financial Results for the Quarter and Year Ended March 31, 2020**

- 1) The above financial results of the Company were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 25th June, 2020. The Statutory Auditors of the Company have expressed unmodified opinion on the aforesaid results.
- 2) These financial results have been prepared in accordance with Indian Accounting Standards (Ind-AS) as prescribed under section 133 of Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and relevant amendment thereafter.
- 3) The figures for quarter ended March 31, 2020 and March 31, 2019 are balancing figures between the audited figures of the full financial year and the reviewed year to date figure upto the third quarter of the relevant financial year.
- 4) With respect to USD 110 Million Foreign Currency Convertible Bonds due 2022 (FCCBs) raised by the Company, there are USD 13.5 Million FCCBs outstanding for conversion as on 31st March, 2020. Further, company has defaulted in payment of interest amounting to USD 0.24 Million for the period 25th May'19 to 25th Nov'19.
- 5) The listed Non-Convertible Debentures of the Company aggregating to Rs. 500 Crore outstanding as on 31st March, 2020 are secured by way of first pari passu charge on the Company's certain properties and the asset cover thereof exceeds one hundred twenty five percent of the principal amount of the said debentures.
- 6) Details of Secured Non-Convertible Debentures of Sintex Industries Limited are as follows:

Sr No	Particulars	Previous Due Date (1st October 19 till 31st March 20)		Next Due Date (1st April 20 till 30th September 20)	
		Principal	Interest	Principal	Interest
1	Rs. 112.50 Crores	-	11th December, 2019 11th March, 2020	11 <sup>th</sup> June, 2020	11 <sup>th</sup> June, 2020 11th Sept, 2020
2	Rs. 137.50 Crores	-	30th December, 2019 30th March, 2020	30 <sup>th</sup> September, 2020	30th June, 2020 30 <sup>th</sup> Sept, 2020
3	Rs. 250.00 Crores	-	8th October, 2019 8th January, 2020	-	8th April, 2020 8th July 2020
Total	Rs. 500.00 Crores				

- 7) The holding company is undergoing substantial financial stress and severe liquidity constraints since last ten months 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, therefore, steep fall in sales volume and incurring of losses. The company has defaulted in debt obligation of debentures aggregating to Rs. 466.67 Crores (including Put option availed by the lenders) for the period April'19 to March 20 apart from other credit facilities. Further, Company's inability to meet its obligation in relation to the payment of certain letters of credit which led to devolvement and consequent over utilization of the cash credit facilities availed by the Company for more than 30 days, delay in payment of certain term loan instalments as well as interest thereof and in view of the same on 12th June, 2019 the Company has suffered downgrades in its credit rating from "BWR A-Stable" to "BWR D-Stable". However, Company has made provision of interest for FY 2019-20.

The holding company submitted a Comprehensive Resolution Plan to all the lenders involving the re-structuring of debt availed. The proposal was prepared in accordance with the requirement set out in the circular issued by the Reserve Bank of India No. RBI/2018-19/203.DBR.NC.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019, which was not accepted in all lenders meeting held on 5th July, 2019. The Inter-Creditor Agreement (ICA) for a potential restructuring of the company's liabilities was signed on 6th July, 2019. The company submitted a revised Resolution Plan to lenders on 16th December, 2019, which was not accepted by the lenders due to higher provisioning requirement, post which petition has been filed by the financial creditors before the National Company Law Tribunal (NCLT), Ahmedabad under Section 7 of Insolvency and Bankruptcy Code, 2016 for initiating Corporate Insolvency Resolution Process (CIRP) against the company. The petition has yet not got admitted. The ability of the company to continue as going-concern is predicated upon the outcome of CIRP and scale up of company level of operations post Covid 19. In view of the same, results have been prepared on the basis that the company is a going concern.

- 8) On account of the high cost of operations and to create synergies of having operations at a single location, the management of the company is evaluating to shift manufacturing facilities of structured fabrics from its existing location at Kalol to its Yarn division at Vill. Lunsapur Tal. Jafrabad, Dist. Amreli. In view of this, the manufacturing operations of structured fabrics (except bleaching facility) at Kalol is discontinued effective from 1st July, 2019. The land and factory building of its Kalol plant will be disposed of after obtaining requisite approvals including from lenders, the proceeds of which shall be utilized for repayment of borrowings. The net realizable value of these assets held for disposal as estimated by the management is in excess of its carrying value as per books of accounts of the company. The management of the company has assessed whether any provision needs to be recognised on account of the impairment of assets in respect of property, plant and equipment of its Textile Division, which shall be shifted to and shall become an integral part of its Yarn division at Vill. Lunsapur and, therefore, Considering all relevant factors, the management has determined that there is no impairment loss which needs to be provided for.
- 9) Ind AS 12, "Income Taxes" requires the company to determine probability of sufficient taxable income to utilize the deferred tax assets including MAT credit. Considering the factors described in Note 7 above, the company is of the view to recognize deferred tax assets of Rs. 78.57 Crores (i.e. to the extent of deferred tax liability outstanding) upto 31st March 2020.
- 10) Insurance claims aggregating to Rs. 24.77 crores comprising of claim of Rs. 23.09 crores of F.Y. 2016-17 and Rs.1.68 crores of F.Y. 2018-19 are outstanding as on 31st March, 2020. The company has received provisional claim of Rs. 11.10 Crores in the month of Oct'19 against total claim of Rs. 12.78 Crores for the FY 18-19, while balance amount is expected to be received in FY 20-21. The insurance company has repudiated claim pertaining to FY 2016 - 17. Management of holding company is in the process of filing reply against the same and is hopeful of settling the claims in full. If required, company would also explore to take legal actions for recovery of outstanding claim.



- 11) Rs. 326.96 crores is outstanding as at 31st March, 2020 for subsidies receivables including interest subsidy of Rs. 210.96 crores receivable under Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS) announced by Ministry of Textiles, Government of India for various years from F.Y. 15-16 to F.Y. 19-20 upto May, 2019. This amount of subsidy benefit recognized is reduced from the borrowing costs in the respective years. The management of holding company is perusing for recovery of this amount of subsidy.
- 12) In view of the continuing default in payment of dues in holding company, most of the lenders have sent notices / letters recalling their loans given and called upon the Company to pay entire dues and other liabilities. Hence in view of the said facts & considering the matter of prudence, whole of the long-term borrowing outstanding as on 31st March '20 has been classified as current borrowings.
- 13) A Petition has been filed by a financial Creditor before the National Company Law Tribunal (NCLT), Ahmedabad under section 7 of Insolvency and Bankruptcy Code, 2016 for initiating Corporate Insolvency Resolution Process against BVM Overseas Limited, a wholly owned material subsidiary of the company. Outstanding with Axis bank has been paid in full post 31st March 2020 and process for vacation of petition is expected to be completed in ensuing quarter.
- 14) In case of BVM Overseas Limited, HDFC Bank & RBL Bank has appropriated Rs. 37.69 Crores & Rs. 21.00 Crores from the funds lying in current account of the company with the respective banks against the default in servicing various credit facilities by group companies. Company is in process of taking up the matter with respective banks for recovery of the same. Hence amount of Rs. 58.69 Crores has been disclosed as receivable from respective banks in the financial statement.
- 15) The Group operates in Textile business which is the only reportable segment in accordance with the requirements of Ind-AS 108 "Operating Segments".
- 16) The key numbers of Standalone Financial Results of the Company for the quarter & year ended March 31, 2020 are as under:


Particulars	Quarter ended on March 31, 2020	Quarter ended on December 31, 2019	Quarter ended on March 31, 2019	For the year-ended March 31, 2020	For the year- ended March 31, 2019
	Audited	Unaudited	Audited	Audited	Audited
Total Operating Income	460.52	424.42	677.12	1,662.43	2,912.32
Profit / (Loss) before tax	(372.83)	(289.43)	(123.18)	(1,334.67)	36.41
Total Comprehensive / (Loss) Income (after tax)	(295.93)	(291.91)	(88.14)	(1,252.17)	6.82

- 17) As per the Standard, it is at the option of the company to apply IND AS 116 for the short-term leases (period of 12 months or less) & low value assets. Since all major lease agreements are for a period of 12 months and 1 of the long term lease is of low value, we have availed the exemption. Lease Payments associated with short term / low value leases shall be recognized as an expense on straight-line basis. Apart from this, there are no other assets taken on lease and hence IND AS 116 is not applicable.
- 18) Company's operations were impacted in the month of March 2020 due to shutdown of Lunsapur plant following nationwide lockdown by the Government of India in view of COVID-19, a pandemic caused by the novel Coronavirus. Company is monitoring the situation closely. From 12th April 2020, operations have commenced in a phased manner with enforcement of strict working restrictions. The ability of the company to continue as going concern is predicted upon the outcome of CIRP and scale up of operations. The scale up of operations may be different then targeted, considering substantial volatility in market and risk awareness, for which company will keep updated.
- 19) The Group has decided not to opt new taxation scheme of Section 115BAA of the income tax Act 1961, Introduced by the Taxation Law (Amendment) ordinance 2019 effective from financial 2019-2020 in view of MAT Credit Availability, Accumulated Losses and Unabsorbed Depreciation.
- 20) We confirm that we are a Large Corporate, however considering rating of the company, applicability criteria given under SEBI circular no. SEBI/HO/ DDHS/CIR/P/2018/144 dated November 26, 2018 is not applicable.
- 21) In view of losses incurred by the Company, the Board of Directors has not recommended dividend for the year ended on 31st March '20.
- 22) During the year ended 31st March 2020, the company has not granted any options under the "Sintex ESOP 2018" to Eligible employees of the Company.
- 23) Figures of the previous quarter / year to date have been regrouped, wherever necessary to make it comparable.

For Sintex Industries Limited

Place: Ahmedabad  
Date: 25th June, 2020



  
Rahul A Patel  
Chairman and Managing Director  
DIN: 00171198



**SINTEX INDUSTRIES LIMITED**

Consolidated Balance Sheet as at March 31, 2020

(₹ in crores)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>I. ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	8,011.14	8,302.44
(b) Capital work-in-progress	1,065.12	1,009.53
(c) Other Intangible assets	2.41	3.26
(d) Financial Assets		
(i) Investments	35.58	3.28
(ii) Loans	3.65	4.65
(e) Deferred tax assets	1.30	0.01
(f) Other non-current assets	384.01	349.20
(g) Non-current tax assets (net)	46.98	57.76
<b>Total non-current assets</b>	<b>9,550.19</b>	<b>9,730.13</b>
<b>Current assets</b>		
(a) Inventories	137.72	332.39
(b) Financial assets		
(i) Investments	-	0.53
(ii) Trade receivables	59.52	580.54
(iii) Cash and cash equivalents	18.39	80.26
(iv) Bank balances other than (iii) above	-	-
(v) Loans	62.08	108.71
(vi) Other Financial Assets	-	2.08
(c) Other current assets	717.83	834.41
<b>Total current assets</b>	<b>995.54</b>	<b>1,938.92</b>
<b>TOTAL ASSETS</b>	<b>10,545.73</b>	<b>11,669.05</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Equity attributable to owners of the parent</b>		
(a) Equity share capital	59.41	59.41
(b) Other equity	3,080.60	4,353.35
<b>Total equity</b>	<b>3,140.01</b>	<b>4,412.76</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	0.00	4,537.44
(b) Provisions	5.44	10.11
(c) Deferred tax liabilities (net)	0.00	87.32
<b>Total non-current liabilities</b>	<b>5.44</b>	<b>4,634.87</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	1,487.72	777.14
(ii) Trade payables		
(a) Total outstanding dues of Micro and Small Enterprise	4.08	10.65
(b) Total outstanding dues of creditors other than micro and small enterprise	144.87	345.00
(iii) Other financial liabilities	5,754.38	1,468.90
(b) Other current liabilities	3.96	15.96
(c) Provisions	5.27	3.77
<b>Total current liabilities</b>	<b>7,400.28</b>	<b>2,621.42</b>
<b>Total liabilities</b>	<b>7,405.72</b>	<b>7,256.28</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,545.73</b>	<b>11,669.05</b>



# SINTEX INDUSTRIES LIMITED

Consolidated Statement of cash flows for the year ended March 31, 2020

(₹ In crores)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
Net profit before tax	(1,342.39)	37.52
Adjustments for:		
Unrealised Foreign Loss	40.73	-
Profit on sale of investments	-	(0.01)
Excess provision of earlier year written back	-	(4.17)
Provision for advances and subsidy, Bad Debts written off	228.61	-
Interest income	(15.67)	(17.87)
Depreciation and amortisation expenses	284.45	232.46
Finance cost	747.58	225.65
Loss/(gain) on sale/ impairment of property, plant and equipment	0.04	(0.38)
<b>Operating profit before working capital changes</b>	<b>(56.67)</b>	<b>473.20</b>
<b>Adjustments for increase/decrease in Operating Assets/ Liabilities:</b>		
Trade receivables, loans and other assets	457.91	(218.32)
Inventories	194.67	297.17
Trade payables, other liabilities and provisions	(178.95)	536.17
<b>Cash generated from operations</b>	<b>416.97</b>	<b>1,088.22</b>
Direct taxes paid (Net)	16.91	(27.08)
<b>Net cash generated from operations activities (A)</b>	<b>433.88</b>	<b>1,061.14</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment/addition to capital-work-in progress	(117.45)	(1,426.21)
Sale of fixed assets	1.40	0.90
(Purchase)/sale of current investments	0.53	0.11
Interest received	16.47	22.96
Bank deposits received/( placed )	-	107.05
<b>Net cash used in investing activities (B)</b>	<b>(99.05)</b>	<b>(1,295.19)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	-	948.33
Repayments from long term borrowings	(253.34)	(395.81)
Net increase/(decrease) in working capital borrowings	62.09	(110.27)
Finance cost	(205.35)	(228.17)
Dividend paid	(0.11)	(7.11)
<b>Net cash generated from financing activities (C)</b>	<b>(396.71)</b>	<b>206.97</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(61.87)</b>	<b>(27.08)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>80.26</b>	<b>107.34</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>18.39</b>	<b>80.26</b>







*R. CHOUDHARY & ASSOCIATES*

Chartered Accountants

Independent Auditor's Report on the Quarterly and Year to Date Audited Consolidated Financial Results of the company Pursuant to the Regulations 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

TO  
THE BOARD OF DIRECTORS OF  
SINTEX INDUSTRIES LIMITED

**Opinion**

We have audited the accompanying Statement of Consolidated Financial Results of **Sintex Industries Limited** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group") for the three months and year ended 31 March, 2020 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations")

In our opinion and to the best of our Information and according to the explanations given to us, the Statement:

- a. includes the results of the following entities:

**Subsidiary:** - BVM Overseas Limited

- b. is presented in accordance with requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended; and
- c. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated other comprehensive income and other financial information of the group for the quarter and year ended March 31, 2020.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial results section of our report. We





are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial results.

### Emphasis of Matter

- i. We draw attention to Note 7 of the consolidated financial result, which states that the company's credit rating has been downgraded, which may substantially impair its ability to raise or generate funds to repay its obligations. As described in said Note, the company's ability to continue as going-concern depends on outcome of CIRP and scale up company level of operations. All the current developments raise doubt on the ability of the company to continue as going concern and, therefore, it may be unable to realize its asset and discharge its liabilities in the normal course of business. The ability of the company to continue as going concern is dependent upon the factors described in the said Note, which are not within the company's control. The management has prepared the statement following going concern basis of accounting based on their assessment of the successful outcome of above referred actions and accordingly, no adjustments have been made to the carrying value of assets and liabilities, which may affect the results shown in the statement.
- ii. We draw attention to Note 8 to the consolidated financial result with respect to impairment of assets. As described in the said note, the management has determined that there is no impairment of assets. This estimate and judgment of the management being inherently subjective and technical as well as considering the facts of the case, we have relied upon the management representation.
- iii. We draw attention to Note 9 to the consolidated financial result with respect to recognition of deferred tax assets. As stated in the said Note, deferred tax asset has been recognized to the extent of deferred tax liabilities amounting to Rs. 78.57 Crores outstanding as on 31<sup>st</sup> March 2020.







- iv. We draw attention to Note 10 to the consolidated financial result with respect to insurance claim receivable of Rs 24.77 Crores lodged in the earlier years which are outstanding as on 31<sup>st</sup> March, 2020 for settlement of which management of company is in the process of filing reply against the same and is hopeful of settling the claims in full. If required, company would also explore to take legal actions for recovery of outstanding claim.
- v. We draw attention to Note 11 to the consolidated financial result with respect to realization of subsidies aggregating to Rs 210.96 Crores. As per the information and explanations furnished to us, the management is taking necessary actions for realization of these subsidies and as stated in the said Note, management is perusing for recovery of this amount of subsidy.
- vi. We draw attention to Note 12 to the consolidated financial result with respect to continuing default in payment of dues in holding company, most of the lenders have sent notices / letters recalling their loans given and called upon the Company to pay entire dues and other liabilities. Hence in view of the said facts & considering the matter of prudence, whole of the long-term borrowing outstanding as on 31st March'20 has been classified as current borrowings.
- vii. We draw attention to Note 13 to the consolidated financial result with respect to petition filed by Axis Bank before NCLT, Ahmedabad for initiating Corporate Insolvency Resolution Process (CIRP) against BVM Overseas Limited, a wholly owned material subsidiary of the company. Outstanding with Axis bank has been paid in full post 31st March 2020 and process for vacation of petition is expected to be completed in ensuing quarter.
- viii. We draw attention to Note 14 to the consolidated financial result with respect to appropriation of funds by HDFC Bank & RBL Bank amounting to Rs. 37.69 Crores & Rs. 21.00 Crores from the funds lying in current account of BVM Overseas Limited with the respective banks against the default in servicing various credit facilities by associate companies. As informed, company is in process of taking up the matter with respective banks for recovery of the same. Hence amount of Rs. 58.69 Crores has been disclosed as receivable from respective banks in the financial statement.





- ix. We draw attention to Note 18 to the consolidated financial result with respect to assessment of the recoverability of certain assets, the management has considered internal and external information upto the date of this report in respect of the current and estimated future global including Indian economic indicators consequent to the global health pandemic of Covid 19. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

Our Opinion is not modified in respect of this matter.

### Management's Responsibility for the Consolidated Financial Results

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these consolidated financial results that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial results, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's







report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial results of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- We did not audit the financial statement / financial information of 1 subsidiary included in the consolidated financial results, whose financial statement / financial information reflects total assets of **Rs. 148.63 Crores** as at 31 March, 2020, total revenue of **Rs. 79.40 Crores** and **Rs. 607.64 Crores**, total Net Loss after tax of **Rs. 0.18 Crores** and **Rs. 6.43 Crores** and total Comprehensive income of **Rs. 0.18 Crores** and **Rs. 6.43 Crores** for the quarter and year ended 31 March, 2020 respectively and net cash inflow of **Rs. 0.47 Crores** for the year ended on 31<sup>st</sup> March, 2020 as considered in the statement. These financial statements have been audited / reviewed, by other auditor whose reports have been furnished to us by the Management and our opinion and







# R. CHOUDHARY & ASSOCIATES

Chartered Accountants

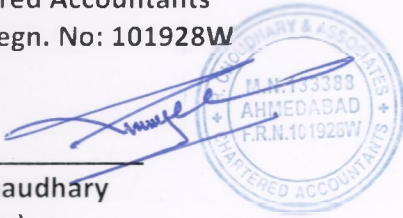
conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiary is based solely on the report of the other auditor and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- The Consolidated financial results include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figure in respect of the full financial Year and the published unaudited year to date figures up to the third quarter of the current financial year which subject to limited review by us.

Our report on the statement is not modified in respect of this matter.

For, R Chaudhary & Associates  
Chartered Accountants  
Firm Regn. No: 101928W



K M Chaudhary  
(Partner)  
M. No.: 133388

Place: Ahmedabad  
Date: 25<sup>th</sup> June, 2020

UDIN: - 20133388AAAAKA6921