

Ref No: SEC/NSE/BSE/2021-22  
June 29, 2021

**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** 950353  
**of Debt** 951037  
**Instruments:** 952870

Dear Sir,

**Sub.: Approval of Annual Audited Financial Results of the Company for the Year ended 31<sup>st</sup> March, 2021.**

Dear Sir/Madam,

Pursuant to Regulation 33 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Audited Financial Results (Standalone and Consolidated) of the Company for the fourth quarter and year ended 31st March, 2021 along with Audit Report on the Said Audited Financial Results of the Company.

We hereby declare 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, 2021.

The meeting commenced at 1.00 p.m. and concluded at 3.15 p.m.

You are requested to take the same on records and oblige.

Yours faithfully,

**For Sintex Industries Limited**

(A Company under Corporate Insolvency Resolution Process by NCLT, Ahmedabad bench order 06.04.2021)

  
**Company Secretary**

ENCL : As Stated



**SINTEX INDUSTRIES LIMITED**

Regd. Office : Kalol-382721, Dist. Gandhinagar, Gujarat, India.  
Ph: +91-2764-253000, Email: share@sintex.co.in  
CIN : L17110GJ1931PLC000454

Investor Relationship Cell:  
7th Floor, Abhijit Building-I, Mithakhali Six Roads,  
Ellisbridge, Ahmedabad-380 006, Gujarat.  
Phone : +91-6358855979  
www.sintex.in

# 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 and Year ended 31st March, 2021

(Rs. in Crores except per share data)

Sr No	Particulars	Audited	Unaudited	Audited	Audited	
		Quarter ended			Year ended	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
1	Income					
	(a) Revenue from operations	721.62	523.66	444.70	1,695.71	1,701.19
	(b) Other Income	29.04	14.39	6.17	61.06	40.11
	Total Income	750.66	538.05	450.87	1,756.77	1,741.30
2	Expenses					
	(a) Cost of materials consumed	459.47	357.73	318.07	1,110.24	1,097.22
	(b) Purchase of stock in trade	-	-	-	-	0.18
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	1.38	(14.65)	(16.69)	11.97	152.78
	(d) Employee benefits expense	40.59	35.06	34.01	134.57	157.66
	(e) Finance Costs	206.63	212.20	221.65	795.32	747.58
	(f) Depreciation and amortisation expense	69.20	71.07	70.66	281.77	284.45
	(g) Other expenses	116.79	91.91	195.36	302.25	643.82
	Total expenses	894.06	753.32	823.06	2,636.12	3,083.69
3	Profit/(Loss) before tax and Exceptional item (1) - (2)	(143.40)	(215.27)	(372.19)	(879.35)	(1,342.39)
4	Exceptional item	-	-	-	426.64	-
5	Profit/(Loss) before tax (3)-(4)	(143.40)	(215.27)	(372.19)	(1,305.99)	(1,342.39)
6	Tax expense/(benefit)					
	(a) Current tax (net of MAT credit entitlement)	-	-	-	-	-
	(b) Deferred tax	0.65	(0.28)	(77.62)	0.56	(79.86)
	(c) Short/(Excess) provision of tax for earlier years	(0.00)	(0.00)	(0.44)	(0.14)	(6.12)
	Tax expense/(benefit)	0.65	(0.28)	(78.06)	0.42	(85.98)
7	Net Profit after tax (5) - (6)	(144.05)	(214.99)	(294.13)	(1,306.41)	(1,256.41)
8	Other Comprehensive Income					
	(a) Items that will not be reclassified to profit or loss	(0.51)	-	(1.97)	(0.51)	(2.19)
	(b) Income tax effect on above	-	-	-	-	-
	(c) Items that will be reclassified to profit or loss	-	-	-	-	-
	(d) Income tax effect on above	-	-	-	-	-
9	Total Comprehensive Income (7+8)	(144.56)	(214.99)	(296.10)	(1,306.92)	(1,258.60)
10	Paid-up equity share capital (Face value of Rs. 1 each)	59.92	59.41	59.41	59.92	59.41
11	Other Equity				1,820.38	3,080.60
12	Earnings per share					
a	Basic (in Rs.)	(2.40)	(3.62)	(4.95)	(21.96)	(21.15)
b	Diluted (in Rs.)	(2.40)	(3.62)	(4.95)	(21.96)	(21.15)
13	Debenture Redemption Reserve				111.03	111.03
14	Net Worth				1,880.30	3,140.01



## Notes to the Audited Consolidated Financial Results for the Quarter and Year Ended March 31, 2021

- 1) The above financial results of the Group were reviewed and approved by the Interim Resolution Professional on 29th June, 2021. The Statutory Auditor of the Company has 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, 2021 and March 31, 2020 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 Holding Company during the year 31st March, 2021, FCCBs aggregating to USD 7 Million have been converted into 5122874 equity shares resulting in increase in equity share capital by Rs. 0.51 crores and security premium by Rs. 46.70 crores. There are USD 6.5 Million FCCBs outstanding for conversion as on 31st March, 2021. Further, the Company has defaulted in payment of interest amounting to USD 0.46 Million for the period 25th May, 19 to 24th November, 2020.
- 5) The Holding Company has discontinued the manufacturing operations of structured fabrics (except bleaching facility) at Kalol effective from 1st July, 2019 on account of high cost of operations. The management of the company during the year has assessed that any provision needs to be recognised on account of the impairment of assets in respect of property, plant and equipment of its Textile Division. The higher of Textile Division assets fair value (less cost of disposal) and its value in use as per valuation report obtained from approved valuer as on 30th September, 2020 and is found lower than its carrying amount as per books of accounts of the company and hence the Company has recognised impairment loss of Rs. 426.64 crores for the year. Therefore, the impairment loss has been shown under "Exceptional Item".
- 6) The Holding Company is undergoing substantial financial stress and severe liquidity constraints since last Financial Year coupled with changed industrial dynamics, time and cost overrun in completion of its projects, reduction in subsidies and incentive benefits, Covid related disruptions etc. The company has defaulted in debt obligation of debentures aggregating to Rs. 500.00 Crores for the period April, 19 to 6th April, 2021 (date of admission in Corporate Insolvency Resolution Process) 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, delay in payment of certain term loan instalments as well as interest thereof. The Company's credit rating is "BWR D" from Brickwork Ratings India Pvt. Ltd. for Non-Convertible Debentures. However, Company has made provision for interest for the period April, 2019 to March, 2021.

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.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. Company once again submitted resolution plan on 14th August, 2020 which was also not accepted by the lenders. The Company thereafter submitted debt resolution proposal with proposal to change in ownership and restructuring of debt on 10th March, 2021 to the lead bank however the same has been also rejected. The results have been prepared on the basis that the company is a going-concern.

Petition for initiation of Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code 2016 filed against the Company by Invesco Asset Management (India) Private Limited (Financial Creditor) for default amount of Rs. 15,00,00,000/- (Principal amount) of NCD has been admitted against the Company vide Honourable National Company Law Tribunal, Ahmedabad Bench order dated 06.04.2021. Mr. Pinakin Shah (having registration no. IBBI/PA-002/IP-000106/2017-18/10248) has been appointed as Interim Resolution Professional by the Honourable National Company Law Tribunal, Ahmedabad Bench under Section 13(1)(c) of the Insolvency and Bankruptcy Code 2016 and moratorium period under Section 14 of the Insolvency and Bankruptcy Code 2016 is declared.

First meeting and Second meeting of Committee of Creditors (CoC) held on 10th May, 2021 and 31st May, 2021 respectively. In first meeting, CoC members passed resolution for appointment of Resolution Professional subject to approval of Hon'ble NCLT Ahmedabad. Approval from Hon'ble NCLT Ahmedabad for appointment of Resolution Professional pending to be received.

- 7) Ind AS 12, 'Income Taxes' requires the Holding company to determine probability of sufficient taxable income to utilize the deferred tax assets including MAT credit. Considering the factors described in Note 5 and 6 above, the company is of the view not to recognize deferred tax assets during the year.
- 8) Insurance claim of Rs. 23.11 crores of F.Y. 2016-17 is outstanding as on 31st March, 2021. The insurance company has repudiated claim pertaining to FY 2016 - 17. Management of company during the year has filed reply against the same and is hopeful of settling the claims in full. The Company has initiated legal proceedings against the same.
- 9) During the relevant period, South Indian Bank Limited, PNB, Axis Bank, Karnataka Bank and Punjab & Sind Bank ("Banks") purportedly reported account of the Company as Fraud to Reserve Bank of India on the basis of forensic audit report issued by forensic auditor appointed by lead consortium bank. According to Management at the relevant period, it had not received prior intimation from Banks as to conclusion of fraud in its NPA account and also the Company has not received copy of forensic audit report including basis for declaring the account of the Company as Fraud and that classification of fraud by lenders is unjust and unfair. Further reporting of fraud by Banks and other consortium lenders to RBI, if any, is unjust and unlawful. Management in charge at the relevant period has filed Writ Petition (Civil) No. 6830 of 2020, 7825 of 2020, 920 of 2021, 3800 of 2021 in the Hon'ble Delhi High Court challenging the Reserve Bank of India Master Circular on Fraud. -Classification and Reporting by Commercial Banks and Select Financial Institutions bearing RBI/DBS/2016-17/28, DBS.CO.CFMC.BC.Mp.1/23.04.001/2016-17 dated 1 July 2016 and actions of Banks on grounds that it breaches principles of natural justice on multiple accounts, with the most blatant breach being the manner and mechanism for identification and declaration of an account as 'fraud'. Against the reporting by Banks purporting to declare account of the Company as fraud to the Reserve Bank of India, the Hon'ble Delhi High Court on application of the Company, has in the said Writ Petition (Civil) No. 6830 of 2020 (South Indian Bank Limited), 7825 of 2020 (Punjab National Bank, Axis Bank Limited & Karnataka Bank Limited), 920 of 2021 (Punjab & Sind Bank) and 3800 of 2021 (Reserve Bank of India, Export-Import Bank of India, Bank of India, Bank of Baroda, Canara Bank, Union Bank of India, Central Bank of India, IDBI Bank Limited, State Bank of India, Abu Dhabi Commercial Bank, Indian Overseas Bank, Bank of Maharashtra, HDFC Bank Ltd. and RBL Bank Ltd.) granted relief of 'stay' in relation to the impugned action of lenders declaring fraud in the account of the Company to the Reserve Bank of India or any further steps pursuant thereto.



- 10) The Holding Company has outstanding advances of Rs. 531.91 crores receivables from Sintex Prefab & Infra Limited. Petition for initiation of Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code 2016 filed against Sintex Prefab & Infra Limited by Bank of Baroda (Financial Creditor) has been admitted vide Honourable National Company Law Tribunal, Ahmedabad Bench order dated 24.02.2021. The Company has submitted claims of Rs. 531.91 crores to Mr. Chandra Prakash Jain (IRP of Sintex Prefab & Infra Limited) on 16.03.2021.
- 11) Rs. 387.12 crores is outstanding as at 31st March, 2021 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 during the year 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, 2021 has been classified as current borrowings.
- 13) The Group operates in Textile business which is the only reportable segment in accordance with the requirements of Ind-AS 108 "Operating Segments".
- 14) The key numbers of Standalone Financial Results of the Company for the quarter & year ended are as under:

(Rs. in crores)

Particulars	Quarter ended on March 31, 2021	Quarter ended on December 31, 2020	Quarter ended on March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020
	Audited	Unaudited	Audited	Audited	Audited
Total Operating Income	705.60	544.48	456.64	1,689.15	1,634.92
Profit / (Loss) before tax	(143.67)	(212.09)	(372.83)	(1,301.97)	(1,334.67)
Total Comprehensive / (Loss) Income (after tax)	(144.17)	(212.09)	(295.93)	(1,302.33)	(1,252.17)

- 15) As per the Standard, it is at the option of the Group 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.
- 16) The Group 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. The Group is monitoring the situation closely. From 12th April 2020, operations have commenced in a phased manner with enforcement of strict working restrictions. The Group stabilises its operations in spite of COVID-19 challenges. The Group scale up its operations and have been working at 90% capacity comprising of more than 6 lakhs spindles during the end of the financial year. The scale up of operations is subject to substantial volatility in market and risk averseness due to 2nd and 3rd wave of Covid 19 for which company will keep updated.
- 17) There is severe damage at our factory plant situated at Taluka Jafarabad, Lunsapur, Amreli, Gujarat due to Cyclone Tauktae on 17th May, 2021 and 18th May, 2021. The expected quantum of loss / damage due to Cyclone Tauktae and estimated impact on the production / operations is under process of determination. The loss / damage is covered by the Insurance and the Company has intimated about the incident of severe damage due to Cyclone Tauktae to the Insurance Company.
- 18) The Holding 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.
- 19) 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.
- 20) During the quarter ended 31st March 2021, the company has not granted any options under the "Sintex ESOP 2018" to Eligible employees of the Company.
- 21) Figures of the previous quarter / year to date have been regrouped, wherever necessary to make it comparable.

Place: Ahmedabad  
Date: 29th June, 2021



For Sintex Industries Limited

Mr. Pinakin Shah

Interim Resolution Professional  
IBBI/I/PA-002/IP-N00106/2017-18/10248



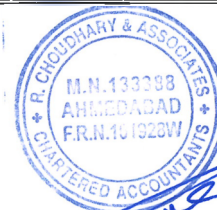


**SINTEX INDUSTRIES LIMITED**

Consolidated Balance Sheet as at March 31, 2021

(₹ in crores)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>I ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	7,303.57	8,011.14
(b) Capital work-in-progress		1,066.25	1,065.12
(c) Other Intangible assets	5	1.60	2.41
(d) Financial Assets			
(i) Investments	7	35.66	35.58
(ii) Loans	8	3.92	3.65
(e) Deferred tax assets	21	0.74	1.30
(f) Other non-current assets	9	383.49	384.01
(g) Non-current tax assets (net)	10	2.25	46.98
<b>Total non-current assets</b>		<b>8,797.48</b>	<b>9,550.19</b>
<b>Current assets</b>			
(a) Inventories	11	158.06	137.72
(b) Financial assets			
(i) Investments		-	-
(ii) Trade receivables	12	109.41	59.52
(iii) Cash and cash equivalents	13	28.10	18.39
(iv) Bank balances other than (iii) above	14	-	-
(v) Loans	15	67.53	62.08
(c) Other current assets	16	712.41	717.83
<b>Total current assets</b>		<b>1,075.51</b>	<b>995.54</b>
<b>TOTAL ASSETS</b>		<b>9,872.99</b>	<b>10,545.73</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Equity attributable to owners of the parent</b>			
(a) Equity share capital	17	59.92	59.41
(b) Other equity	18	1,820.38	3,080.60
<b>Total equity</b>		<b>1,880.30</b>	<b>3,140.01</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	0.00	0.00
(b) Provisions	20	4.37	5.44
(c) Deferred tax liabilities (net)	21	0.00	0.00
<b>Total non-current liabilities</b>		<b>4.37</b>	<b>5.44</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	22	1,603.45	1,487.72
(ii) Trade payables			
(a) Total outstanding dues of Micro and Small Enterprise	23	3.59	4.08
(b) Total outstanding dues of creditors other than micro and small enterprise	23	110.56	144.87
(iii) Other financial liabilities	24	6,259.05	5,754.38
(b) Other current liabilities	25	6.38	3.96
(c) Provisions	26	5.29	5.27
<b>Total current liabilities</b>		<b>7,988.32</b>	<b>7,400.28</b>
<b>Total liabilities</b>		<b>7,992.69</b>	<b>7,405.72</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>9,872.99</b>	<b>10,545.73</b>



**SINTEX INDUSTRIES LIMITED**

Consolidated Statement of cash flows for the year ended March 31, 2021

(₹ in crores)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Net profit before tax and Exceptional Item	(879.35)	(1,342.39)
Adjustments for:		
Unrealised Foreign Loss	0.75	40.73
Provision for advances and subsidy, Bad Debts written off	21.28	228.61
Interest income	(8.50)	(15.67)
Depreciation and amortisation expenses	281.77	284.45
Finance cost	795.32	747.58
Loss/(gain) on sale/ impairment of property, plant and equipment	-	0.04
<b>Operating profit before working capital changes</b>	<b>211.27</b>	<b>(56.67)</b>
Adjustments for increase/decrease in Operating Assets/ Liabilities:		
Trade receivables, loans and other assets	(109.24)	457.91
Inventories	(20.35)	194.67
Trade payables, other liabilities and provisions	(30.35)	(178.95)
<b>Cash generated from operations</b>	<b>51.33</b>	<b>416.97</b>
Direct taxes paid (Net)	44.88	16.91
<b>Net cash generated from operations activities (A)</b>	<b>96.21</b>	<b>433.88</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment/addition to capital-work-in progress	(0.63)	(117.45)
Sale of fixed assets	-	1.40
(Purchase)/sale of current investments	-	0.53
Interest received	8.58	16.47
<b>Net cash used in investing activities (B)</b>	<b>7.95</b>	<b>(99.05)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	-	-
Repayments from long term borrowings	(8.39)	(253.34)
Net increase/(decrease) in working capital borrowings	-	62.09
Interest Paid	(85.87)	(205.35)
Dividend paid	(0.19)	(0.11)
<b>Net cash generated from financing activities (C)</b>	<b>(94.45)</b>	<b>(396.71)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>9.71</b>	<b>(61.87)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>18.39</b>	<b>80.26</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>28.10</b>	<b>18.39</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 INTERIM RESOLUTION PROFESSIONAL OF  
SINTEX INDUSTRIES LIMITED**

**(A Company under Corporate Insolvency Resolution Professional Process vide NCLT Order)**

**IP registration no. IBBI/IPA-002/IP-N00106/2017-18/10248**

**Opinion**

We have audited the accompanying statement of consolidated financial results of **Sintex Industries Limited** ("the Company"), for the three months and year ended March 31, 2021 ("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").

The NCLT, vide its order dated April 06, 2021 ("insolvency Commencement Date") initiated the Corporate Insolvency Resolution Process ("CIRP") of the Company under the Code. The said NCLT Order also records the appointment of Mr. Pinakin Shah as the Interim Resolution Professional ("IRP") in accordance with Section 16 of the Code. In view of the on-going CIRP and suspension of powers of Board of Directors and as explained to us, the powers of adoption of the Statement vests with IRP. These audited financial results of the relevant period are prepared by the Management of the Company and Certified by Mr. Hitesh Dihiye, Chief Financial Officer and approved by IRP.

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 31,2021.

### **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. The statement includes the results of the following entities;

**Holding:** - Sintex Industries Limited

**Subsidiary:** - BVM Overseas Limited

- ii. We draw attention to Note 4 of the consolidated financial result, which states that the company had converted FCCB aggregating to USD 7 Million into 51,22,874 equity shares resulting in increase in equity share capital by Rs. 0.51 crores and security premium by Rs. 46.70 crores. There are USD 6.5 Million FCCBs outstanding for conversion as on 31st March, 2021. Further, the company has defaulted in payment of interest amounting to USD 0.46 Million for the period 25th May,2019 to 24th Nov,2020.





- iii. We draw attention to Note 5 to the consolidated financial result with respect to impairment of assets. with respect to impairment of assets. As described in the said note, the company has discontinued the manufacturing operations of structured fabrics ( except bleaching facility) at Kalol effective from 1st July, 2019 on account of high cost of operations. The management of the company has assessed that any provision needs to be recognised on account of the impairment of assets in respect of property , plant and equipment of its Textile Division. The higher of Textile Division assets fair value (less cost of disposal) and its value in use as per valuation report obtained from approved valuer as on 30th September,2020 and is found lower than its carrying amount as per books of accounts of the company and hence the Company has recognised impairment loss of Rs. 426.64 crores for the year. Therefore, the impairment loss has been shown under "Exceptional Item".
- iv. We draw attention to Note 6 of the consolidated financial result, which states that the company's credit rating has been downgraded (Company's credit rating is "BWR D" from Brickwork Ratings India Pvt. Ltd. for Non-Convertible Debentures), which may substantially impair its ability to raise or generate funds to repay its obligations. As mentioned in the same note, The company has defaulted in debt obligation of debentures aggregating to Rs. 500.00 Crores for the period April,19 to 6th April,2021 (date of admission in Corporate Insolvency Resolution Process) apart from other credit facilities. However, Company has made provision for interest for the period April,2019 to March,2021. 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 Compan0079, delay in payment of certain term loan instalments as well as interest thereof. Further, as described in said Note, although the Company submitted various Resolution Plans to lenders on various dates, the Punjab National Bank filed petition 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 in December,2019. Petition for initiation of Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code 2016 filed against the Company by Invesco Asset Management (India) Private Limited (Financial Creditor) for default amount of Rs.



15,00,00,000/- (Principal amount) has been admitted against the Company vide Honourable National Company Law Tribunal, Ahmedabad Bench order dated 06.04.2021. Mr. Pinakin Shah (having registration no. IBBI/IPA-002/IP-N00106/2017-18/10248) has been appointed as Interim Resolution Professional by the Honourable National Company Law Tribunal, Ahmedabad Bench under Section 13(1)(c) of the Insolvency and Bankruptcy Code 2016 and moratorium period under Section 14 of the Insolvency and Bankruptcy Code 2016 is declared.

- v. We draw attention to Note 7 to the consolidated financial result with respect to recognition of deferred tax assets. As stated in the said Note, deferred tax asset has not been recognized in view of losses during the year.
- vi. We draw attention to Note 8 to the consolidated financial result with respect to insurance claim. The insurance claim receivable includes insurance claim of Rs. 23.11 crores of F.Y. 2016-17 is outstanding as on 31st March, 2021. The insurance company has repudiated claim pertaining to FY 2016 - 17. Management of company has filed reply against the same and is hopeful of settling the claims in full. The Company has initiated legal proceedings against the same.
- vii. We draw attention to Note 9 to the consolidated financial result with respect which state that South Indian Bank Limited, Axis Bank, Karnataka Bank and Punjab & Sind Bank ("Banks") purportedly report NPA account of the Company as Fraud to Reserve Bank of India on the basis of forensic audit report issued by forensic auditor appointed by lead consortium bank.

The Company has clarified that it had not received prior intimation from PNB as to conclusion of fraud in its NPA account and also the Company has not received forensic audit report including basis for declaring the account of the Company as Fraud. The Company is in the process of adopting pro-active steps for enquiry with PNB. Against the reporting by Banks purporting to declare fraud to the Reserve Bank of India, the Hon'ble Delhi High Court on application of the Company granted relief of 'stay' in relation to the impugned action of



lenders declaring fraud in the account of the Company to the Reserve Bank of India or any further steps pursuant thereto.

We are not made available with forensic audit report of the forensic auditor and are not aware about the any processes adopted by the company with banks for any enquiry. Further Management is of the view that classification of fraud by forensic auditor is unjust and unfair. We are not affirming the same.

- viii. We draw attention to Note 10 to the consolidated financial result, wherein it is mentioned that The Company has outstanding advances of Rs. 531.91 crores receivables from Sintex Prefab & Infra Limited. Petition for initiation of Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code 2016 filed against Sintex Prefab & Infra Limited by Bank of Baroda (Financial Creditor) has been admitted vide Honourable National Company Law Tribunal, Ahmedabad Bench order dated 24.02.2021. The Company has submitted claims of Rs. 531.91 crores to Mr. Chandra Prakash Jain (IRP of Sintex Prefab & Infra Limited) on 16.03.2021.
- ix. 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.
- x. We draw attention to Note 12 to the consolidated 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, 2021 has been classified as current borrowings.
- xi. We draw attention to Note 16 to the consolidated financial result wherein it is mentioned that- The 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. The Company is monitoring the situation closely. From 12th April 2020, operations have commenced in a phased manner with enforcement of strict working restrictions. The Company scale up its operations and have been working at 90% capacity comprising of more than 6 lakhs spindles during the end of the financial year. The scale up of operations is subject to substantial volatility in market and risk averseness due to 2nd and 3rd wave of Covid 19 for which company will keep updated.

- xii. We draw attention to Note 17 to the consolidated financial result with respect to events occurring after balance sheet date. As per that note the factory plant situated at Taluka Jafarabad, Lunsapur, Amreli, Gujarat is severely damage due to Cyclone Tauktae on 17th May, 2021 and 18th May, 2021. The expected quantum of loss / damage due to Cyclone Tauktae and estimated impact on the production / operations is under process of determination. The loss / damage is covered by the Insurance and the Company has intimated about the incident of severe damage due to Cyclone Tauktae to the Insurance Company.

Our Opinion is not modified in respect of this matter.

#### **Management's and Interim Resolution Professional's Responsibility for the Consolidated Financial Results**

The Company's Board of Directors and Interim Resolution Professional are 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 and Interim Resolution Professional are 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**

- a. 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. 90.33 Crores as at 31 March, 2021, total revenue of Rs. 133.39 Crores and Rs. 291.37 Crores, total Net profit after tax of Rs. 0.29 Crores and Rs. 0.20 Crores and total Comprehensive income of Rs. 0.29 Crores and Rs. 0.20 Crores for the quarter and year ended 31 March, 2021 respectively and net cash inflow of Rs. 1.03 Crores for the year ended on 31st March, 2021 as considered in the statement. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion and 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.

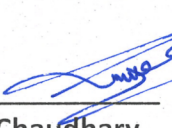
- b. The consolidated financial results include the results for the quarter ended March 31, 2021 and March 31, 2020 being the balancing figure between the audited figure in respect of the



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: 29/06/2021

UDIN: - 21133388AAAAMI4254



# 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 Standalone Financial results for the Quarter & Year ended 31st March, 2021

(Rs. in Crores except per share data)

Sr No	Particulars	Audited	Unaudited	Audited	Audited	
		Quarter ended			Year ended	
		31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
1	Income					
	(a) Revenue from operations	705.60	544.48	456.64	1,689.15	1,634.92
	(b) Other Income	25.19	13.92	3.88	55.01	27.51
	Total Income	730.79	558.40	460.52	1,744.16	1,662.43
2	Expenses					
	(a) Cost of materials consumed	459.47	357.73	318.07	1,110.24	1,103.42
	(b) Changes in inventories of finished goods, work-in-progress and stock in trade	(12.35)	3.76	(4.02)	5.21	79.55
	(c) Employee benefits expense	40.60	34.96	33.95	134.40	157.50
	(d) Finance Costs	206.51	212.11	220.99	794.92	742.03
	(e) Depreciation and amortisation expense	69.19	71.06	70.65	281.75	284.40
	(f) Other expenses	111.04	90.87	193.71	292.97	630.20
	Total expenses	874.46	770.49	833.35	2,619.49	2,997.10
3	Profit/(Loss) before tax and Exceptional item (1) - (2)	(143.67)	(212.09)	(372.83)	(875.33)	(1,334.67)
4	Exceptional item	-	-	-	426.64	-
5	Profit/(Loss) before tax (3)-(4)	(143.67)	(212.09)	(372.83)	(1,301.97)	(1,334.67)
6	Tax expense/(benefit)					
	(a) Current tax (net of MAT credit entitlement)	-	-	-	-	-
	(b) Deferred tax	-	-	(78.43)	-	(78.57)
	(c) Short/(Excess) provision of tax for earlier years	(0.01)	-	(0.44)	(0.15)	(6.12)
	Tax expense/(benefit)	(0.01)	-	(78.87)	(0.15)	(84.69)
7	Net Profit after tax (5) - (6)	(143.66)	(212.09)	(293.96)	(1,301.82)	(1,249.98)
8	Other Comprehensive Income					
	(a) Items that will not be reclassified to profit or loss	(0.51)	-	(1.97)	(0.51)	(2.19)
	(b) Income tax effect on above	-	-	-	-	-
	(c) Items that will be reclassified to profit or loss	-	-	-	-	-
	(d) Income tax effect on above	-	-	-	-	-
9	Total Comprehensive Income (7+8)	(144.17)	(212.09)	(295.93)	(1,302.33)	(1,252.17)
10	Paid-up equity share capital (Face value of Rs.1 each)	59.92	59.41	59.41	59.92	59.41
11	Other Equity				1,814.48	3,070.11
12	Earnings per share (Face value of Rs. 1 each)					
a	Basic (in Rs.)	(2.40)	(3.57)	(4.95)	(21.88)	(21.04)
b	Diluted (in Rs.)	(2.40)	(3.57)	(4.95)	(21.88)	(21.04)
13	Debenture Redemption Reserve				111.03	111.03
14	Net worth				1,874.40	3,129.52
15	Debt Equity Ratio				4.15	2.29
16	Debt Service Coverage Ratio				(0.13)	(0.66)
17	Interest Service Coverage Ratio				(0.14)	(0.90)

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.



**Notes to the audited Financial Results for the Quarter and Year Ended March 31,2021**

- 1) The above financial results of the Company were reviewed and approved by the Interim Resolution Professional on 29th June, 2021. The Statutory Auditor of the Company has 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, 2021 and March 31, 2020 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 during the year 31st March, 2021, FCCBs aggregating to USD 7 Million have been converted into 5122874 equity shares resulting in increase in equity share capital by Rs. 0.51 crores and security premium by Rs. 46.70 crores. There are USD 6.5 Million FCCBs outstanding for conversion as on 31st March, 2021. Further, the Company has defaulted in payment of interest amounting to USD 0.46 Million for the period 25th May, 19 to 24th November, 2020.

- 5) The company has discontinued the manufacturing operations of structured fabrics (except bleaching facility) at Kalol effective from 1st July, 2019 on account of high cost of operations. The management of the company during the year has assessed that any provision needs to be recognised on account of the impairment of assets in respect of property, plant and equipment of its Textile Division. The higher of Textile Division assets fair value (less cost of disposal) and its value in use as per valuation report obtained from approved valuer as on 30th September, 2020 and is found lower than its carrying amount as per books of accounts of the company and hence the Company has recognised impairment loss of Rs. 426.64 crores for the year. Therefore, the impairment loss has been shown under "Exceptional Item".

- 6) The Company is undergoing substantial financial stress and severe liquidity constraints since last Financial Year coupled with changed industrial dynamics, time and cost overrun in completion of its projects, reduction in subsidies and incentive benefits, Covid related disruptions etc. The company has defaulted in debt obligation of debentures aggregating to Rs. 500.00 Crores for the period April, 19 to 6th April, 2021 (date of admission in Corporate Insolvency Resolution Process) 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, delay in payment of certain term loan instalments as well as interest thereof. The Company's credit rating is "BWR D" from Brickwork Ratings India Pvt. Ltd. for Non-Convertible Debentures. However, Company has made provision for interest for the period April, 2019 to March, 2021.

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. Company once again submitted resolution plan on 14th August, 2020 which was also not accepted by the lenders. The Company thereafter submitted debt resolution proposal with proposal to change in ownership and restructuring of debt on 10th March, 2021 to the lead bank however the same has been also rejected. The results have been prepared on the basis that the company is a going-concern.

Petition for initiation of Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code 2016 filed against the Company by Invesco Asset Management (India) Private Limited (Financial Creditor) for default amount of Rs. 15,00,00,000/- (Principal amount) of NCD has been admitted against the Company vide Honourable National Company Law Tribunal, Ahmedabad Bench order dated 06.04.2021. Mr. Pinakin Shah (having registration no. IBB/IPA-002/IP-N00106/2017-18/10248) has been appointed as Interim Resolution Professional by the Honourable National Company Law Tribunal, Ahmedabad Bench under Section 13(1)(c) of the Insolvency and Bankruptcy Code 2016 and moratorium period under Section 14 of the Insolvency and Bankruptcy Code 2016 is declared.

First meeting and Second meeting of Committee of Creditors (CoC) held on 10th May, 2021 and 31st May, 2021 respectively. In first meeting, CoC members passed resolution for appointment of Resolution Professional subject to approval of Hon'ble NCLT Ahmedabad. Approval from Hon'ble NCLT Ahmedabad for appointment of Resolution Professional pending to be received.

- 7) 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 5 and 6 above, the company is of the view not to recognize deferred tax assets during the year.
- 8) Insurance claim of Rs. 23.11 crores of F.Y. 2016-17 is outstanding as on 31st March, 2021. The insurance company has repudiated claim pertaining to FY 2016 - 17. Management of company during the year has filed reply against the same and is hopeful of settling the claims in full. The Company has initiated legal proceedings against the same.
- 9) During the relevant period, South Indian Bank Limited, PNB, Axis Bank, Karnataka Bank and Punjab & Sind Bank ("Banks") purportedly reported account of the Company as Fraud to Reserve Bank of India on the basis of forensic audit report issued by forensic auditor appointed by lead consortium bank.

According to Management at the relevant period, it had not received prior intimation from Banks as to conclusion of fraud in its NPA account and also the Company has not received copy of forensic audit report including basis for declaring the account of the Company as Fraud and that classification of fraud by lenders is unjust and unfair. Further reporting of fraud by Banks and other consortium lenders to RBI, if any, is unjust and unlawful.

Management incharge at the relevant period has filed Writ Petition (Civil) No. 6830 of 2020, 7825 of 2020, 920 of 2021, 3800 of 2021 in the Hon'ble Delhi High Court challenging the Reserve Bank of India Master Circular on Fraud. -Classification and Reporting by Commercial Banks and Select Financial Institutions bearing RBI/DBS/2016-17/28, DBS.CO.CFMC.BC.Mp.1/23.04.001/2016-17 dated 1 July 2016 and actions of Banks on grounds that it breaches principles of natural justice on multiple accounts, with the most blatant breach being the manner and mechanism for identification and declaration of an Against the reporting by Banks purporting to declare account of the Company as fraud to the Reserve Bank of India, the Hon'ble Delhi High Court on application of the Company, has (in the said Writ Petition (Civil) No. 6830 of 2020 (South Indian Bank Limited), 7825 of 2020 (Punjab National Bank, Axis Bank Limited & Karnataka Bank Limited), 920 of 2021 (Punjab & Sind Bank) and 3800 of 2021 (Reserve Bank of India, Export-Import Bank of India, Bank of India, Bank of Baroda, Canara Bank, Union Bank of India, Central Bank of India, IDBI Bank Limited, State Bank of India, Abu Dhabi Commercial Bank, Indian Overseas Bank, Bank of Maharashtra, HDFC Bank Ltd. and RBL Bank Ltd.) granted relief of 'stay' in relation to the impugned action of lenders declaring fraud in the account of the Company to the Reserve Bank of India or any further steps pursuant thereto.



- 10) The Company has outstanding advances of Rs. 531.91 crores receivables from Sintex Prefab & Infra Limited. Petition for initiation of Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code 2016 filed against Sintex Prefab & Infra Limited by Bank of Baroda (Financial Creditor) has been admitted vide Honourable National Company Law Tribunal, Ahmedabad Bench order dated 24.02.2021. The Company has submitted claims of Rs. 531.91 crores to Mr. Chandra Prakash Jain (IRP of Sintex Prefab & Infra Limited) on 16.03.2021.
- 11) Rs. 387.12 crores is outstanding as at 31st March, 2021 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 during the year 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, 2021 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) The 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. The Company is monitoring the situation closely. From 12th April 2020, operations have commenced in a phased manner with enforcement of strict working restrictions. The Company stabilises its operations in spite of COVID-19 challenges. The Company scale up its operations and have been working at 90% capacity comprising of more than 6 lakhs spindles during the end of the financial year. The scale up of operations is subject to substantial volatility in market and risk averseness due to 2nd and 3rd wave of Covid 19 for which company will keep updated.
- 16) There is severe damage at our factory plant situated at Taluka Jafarabad, Lunsapur, Amreli, Gujarat due to Cyclone Tauktae on 17th May, 2021 and 18th May, 2021. The expected quantum of loss / damage due to Cyclone Tauktae and estimated impact on the production / operations is under process of determination. The loss / damage is covered by the Insurance and the Company has intimated about the incident of severe damage due to Cyclone Tauktae to the Insurance Company.
- 17) 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.
- 18) 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.
- 19) During the quarter ended 31st March, 2021 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: 29th June, 2021



For Sintex Industries Limited

*[Signature]*  
Mr. Pinakin Shah

Interim Resolution Professional  
IBBI/IPA-002/IP-N00106/2017-18/10248

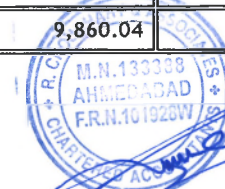
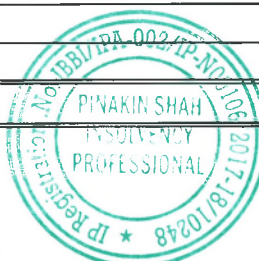




**SINTEX INDUSTRIES LIMITED**  
**Standalone Balance Sheet as at March 31, 2021**

( ₹ in crores)

	Particulars	As at March 31, 2021	As at March 31, 2020
I	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	(a) Property, plant and equipment	7,303.51	8,011.06
	(b) Capital work-in-progress	1,066.25	1,065.12
	(c) Intangible assets	1.60	2.41
	(d) Financial assets		
	(i) Investments	40.16	40.08
	(ii) Loans	3.81	3.54
	(e) Other non-current assets	383.49	384.01
	(f) Non-current tax assets (net)	2.03	46.90
	<b>Total non-current assets</b>	<b>8,800.85</b>	<b>9,553.12</b>
	<b>Current assets</b>		
	(a) Inventories	146.19	119.09
	(b) Financial assets		
	(i) Investments	-	-
	(ii) Trade receivables	128.24	163.63
	(iii) Cash and cash equivalents	20.05	11.38
	(iv) Bank balances other than (iii) above	-	-
	(v) Loans	67.53	62.08
	(c) Other current assets	697.18	648.63
	<b>Total current assets</b>	<b>1,059.19</b>	<b>1,004.81</b>
	<b>TOTAL ASSETS</b>	<b>9,860.04</b>	<b>10,557.93</b>
II.	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity share capital	59.92	59.41
	(b) Other equity	1,814.48	3,070.11
	<b>Total equity</b>	<b>1,874.40</b>	<b>3,129.52</b>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	0.00	0.00
	(b) Provisions	4.37	5.44
	(c) Deferred tax liabilities (Net)	0.00	0.00
	<b>Total non-current liabilities</b>	<b>4.37</b>	<b>5.44</b>
	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	1,603.45	1,487.71
	(ii) Trade payables		
	(a) Total outstanding dues of Micro and Small Enterprise	3.47	4.08
	(b) Total outstanding dues of creditors other than micro and small enterprise	107.37	168.58
	(iii) Other financial liabilities	6,258.84	5,753.96
	(b) Other current liabilities	2.85	3.37
	(c) Provisions	5.29	5.27
	<b>Total current liabilities</b>	<b>7,981.27</b>	<b>7,422.97</b>
	<b>Total liabilities</b>	<b>7,985.64</b>	<b>7,428.41</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,860.04</b>	<b>10,557.93</b>





# SINTEX INDUSTRIES LIMITED

Standalone Statement of cash flows for the year ended March 31, 2021

( ₹ in crores )

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Net profit before tax and Exceptional Item	(875.33)	(1,334.67)
Adjustments for:		
Unrealised Forex Loss	0.75	40.73
Provision for advances and Subsidy and Bad Debts written off	21.04	228.41
Interest income	(8.50)	(15.15)
Depreciation and amortisation expenses	281.75	284.40
Finance cost	794.92	742.03
Loss/(gain) on sale/ impairment of property, plant and equipment	-	0.04
<b>Operating profit before working capital changes</b>	<b>214.64</b>	<b>(54.21)</b>
<b>Adjustments for increase/decrease in Operating Assets/ Liabilities:</b>		
Trade receivables, loans and other assets	(77.71)	301.69
Inventories	(27.10)	121.44
Trade payables, other liabilities and provisions	(60.31)	(167.59)
<b>Cash generated from operations</b>	<b>49.52</b>	<b>201.33</b>
Direct taxes (paid)/Refund	45.02	16.71
<b>Net cash generated from operations (A)</b>	<b>94.54</b>	<b>218.05</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment/addition to capital-work-in progress(net)	(0.63)	(117.43)
Sale of fixed assets	-	1.40
(Purchase)/sale of current investments	-	0.53
Interest received	8.59	15.94
<b>Net cash used in investing activities (B)</b>	<b>7.96</b>	<b>(99.56)</b>
<b>C. Cash flow from financing activities</b>		
Repayments of long term borrowings	(8.39)	(253.34)
Net increase/(decrease) in working capital borrowings	-	272.43
Interest Paid	(85.25)	(199.81)
Dividend paid	(0.19)	(0.11)
<b>Net cash generated from financing activities (C )</b>	<b>(93.83)</b>	<b>(180.83)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>8.67</b>	<b>(62.34)</b>
Cash and cash equivalents at the beginning of the year	11.38	73.72
<b>Cash and cash equivalents at the end of the period</b>	<b>20.05</b>	<b>11.38</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 INTERIM RESOLUTION PROFESSIONAL OF  
SINTEX INDUSTRIES LIMITED**

**(A Company under Corporate Insolvency Resolution Professional Process vide NCLT Order)  
IP registration no. IBBI/IPA-002/IP-N00106/2017-18/10248**

**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, 2021 ("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").

The NCLT, vide its order dated April 06, 2021 ("insolvency Commencement Date") initiated the Corporate Insolvency Resolution Process ("CIRP") of the Company under the Code. The said NCLT Order also records the appointment of Mr. Pinakin Shah as the Interim Resolution Professional ("IRP") in accordance with Section 16 of the Code. In view of the on-going CIRP and suspension of powers of Board of Directors and as explained to us, the powers of adoption of the Statement vests with IRP. These audited financial results of the relevant period are prepared by the Management of the Company and Certified by Mr. Hitesh Dihiye, Chief Financial Officer and approved by IRP.

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 31,2021.

### **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 4 of the standalone financial result, which states that the company had converted FCCB aggregating to USD 7 Million into 5122874 equity shares resulting in increase in equity share capital by Rs. 0.51 crores and security premium by Rs. 46.70 crores. There are USD 6.5 Million FCCBs outstanding for conversion as on 31st March, 2021. Further, the company has defaulted in payment of interest amounting to USD 0.46 Million for the period 25th May,2019 to 24th Nov,2020.
- ii. We draw attention to Note 5 to the standalone financial result with respect to impairment of assets. with respect to impairment of assets. As described in the said note, the company has discontinued the manufacturing operations of structured fabrics (except bleaching facility) at Kalol effective from 1st July, 2019 on account of high cost of operations. The management of the company has assessed that any provision needs to be recognised on account of the impairment of assets in respect of property , plant and equipment of its Textile Division. The higher of Textile Division assets fair value (less cost of disposal) and its value in use as per





valuation report obtained from approved valuer as on 30th September,2020 and is found lower than its carrying amount as per books of accounts of the company and hence the Company has recognised impairment loss of Rs. 426.64 crores for the year. Therefore, the impairment loss has been shown under "Exceptional Item".

- iii. We draw attention to Note 6 of the standalone financial result, which states that the company's credit rating has been downgraded (Company's credit rating is "BWR D" from Brickwork Ratings India Pvt. Ltd. for Non-Convertible Debentures), which may substantially impair its ability to raise or generate funds to repay its obligations. As mentioned in the same note, The company has defaulted in debt obligation of debentures aggregating to Rs. 500.00 Crores for the period April,19 to 6th April,2021 (date of admission in Corporate Insolvency Resolution Process) apart from other credit facilities. However, Company has made provision for interest for the period April,2019 to March,2021. 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 Compan0079, delay in payment of certain term loan instalments as well as interest thereof. Further, as described in said Note, although the Company submitted various Resolution Plans to lenders on various dates, the Punjab National Bank filed petition 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 in December,2019. Petition for initiation of Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code 2016 filed against the Company by Invesco Asset Management (India) Private Limited (Financial Creditor) for default amount of Rs. 15,00,00,000/- (Principal amount) has been admitted against the Company vide Honourable National Company Law Tribunal, Ahmedabad Bench order dated 06.04.2021. Mr. Pinakin Shah (having registration no. IBBI/IPA-002/IP-N00106/2017-18/10248) has been appointed as Interim Resolution Professional by the Honourable National Company Law Tribunal, Ahmedabad Bench under Section 13(1)(c) of the Insolvency and Bankruptcy Code 2016 and moratorium period under Section 14 of the Insolvency and Bankruptcy Code 2016 is declared.



- iv. We draw attention to Note 7 to the standalone financial result with respect to recognition of deferred tax assets. As stated in the said Note, deferred tax asset has not been recognized in view of losses during the year.
- v. We draw attention to Note 8 to the standalone financial result with respect to insurance claim. The insurance claim receivable includes insurance claim of Rs. 23.11 crores of F.Y. 2016-17 is outstanding as on 31st March, 2021. The insurance company has repudiated claim pertaining to FY 2016 - 17. Management of company has filed reply against the same and is hopeful of settling the claims in full. The Company has initiated legal proceedings against the same.
- vi. We draw attention to Note 9 to the standalone financial result which state that South Indian Bank Limited, Axis Bank, Karnataka Bank and Punjab & Sind Bank ("Banks") purportedly report NPA account of the Company as Fraud to Reserve Bank of India on the basis of forensic audit report issued by forensic auditor appointed by lead consortium bank.

The Company has clarified that it had not received prior intimation from PNB as to conclusion of fraud in its NPA account and also the Company has not received forensic audit report including basis for declaring the account of the Company as Fraud. The Company is in the process of adopting pro-active steps for enquiry with PNB. Against the reporting by Banks purporting to declare fraud to the Reserve Bank of India, the Hon'ble Delhi High Court on application of the Company granted relief of 'stay' in relation to the impugned action of lenders declaring fraud in the account of the Company to the Reserve Bank of India or any further steps pursuant thereto.

We are not made available with forensic audit report of the forensic auditor and are not aware about the any processes adopted by the company with banks for any enquiry. Further Management is of the view that classification of fraud by forensic auditor is unjust and unfair. We are not affirming the same.



- vii. We draw attention to Note 10 to the standalone financial result, wherein it is mentioned that The Company has outstanding advances of Rs. 531.91 crores receivables from Sintex Prefab & Infra Limited. Petition for initiation of Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code 2016 filed against Sintex Prefab & Infra Limited by Bank of Baroda (Financial Creditor) has been admitted vide Honourable National Company Law Tribunal, Ahmedabad Bench order dated 24.02.2021. The Company has submitted claims of Rs. 531.91 crores to Mr. Chandra Prakash Jain (IRP of Sintex Prefab & Infra Limited) on 16.03.2021.
- viii. 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.
- ix. 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, 2021 has been classified as current borrowings.
- x. We draw attention to Note 15 to the standalone financial result wherein it is mentioned that- The 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. The Company is monitoring the situation closely. From 12th April 2020, operations have commenced in a phased manner with enforcement of strict working restrictions. The Company stabilises its operations in spite of COVID-19 challenges. The Company scale up its operations and have been working at 90% capacity comprising of more than 6 lakhs spindles during the end of the financial year. The scale up of operations is subject to substantial volatility in market and risk averseness due to 2nd and 3rd wave of Covid 19 for which company will keep updated.





- xi. We draw attention to Note 16 to the standalone financial result with respect to events occurring after balance sheet date. As per that note the factory plant situated at Taluka Jafarabad, Lunsapur, Amreli, Gujarat is severely damage due to Cyclone Tauktae on 17th May, 2021 and 18th May, 2021. The expected quantum of loss / damage due to Cyclone Tauktae and estimated impact on the production / operations is under process of determination. The loss / damage is covered by the Insurance and the Company has intimated about the incident of severe damage due to Cyclone Tauktae to the Insurance Company.

Our Opinion is not modified in respect of this matter.

#### **Management's and Interim Resolution Professional's Responsibility for the Standalone Financial Results**

The Company's Board of Directors and Interim Resolution professional are 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 and Interim Resolution professional are 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 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, 2021 and 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 Caudhary  
(Partner)  
M. No.: 133388



Place: Ahmedabad  
Date: 29/06/2021

UDIN: - 21133388AAAAMH9887