



# Sintex Industries Limited

Annual Report 2008-09

## Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and the underlying assumptions undergoing change. Should known or unknown risks or uncertainties materialise, or should underlying assumptions not materialise, actual results could vary materially from those anticipated, estimated or projected. Shareholders & Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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# Corporate Information

## BOARD OF DIRECTORS

Dinesh B. Patel	<i>Chairman</i>
Arun P. Patel	<i>Vice Chairman</i>
Ramnikbhai H. Ambani	
Ashwin Lalbhai Shah	
Rooshikumar V. Pandya	
Indira J. Parikh	
Dr. Rajesh B. Parikh	
Dr. Lavkumar Kantilal	
Rahul A. Patel	<i>Managing Director</i>
Amit D. Patel	<i>Managing Director</i>
S.B. Dangayach	<i>Managing Director</i>

## MANAGEMENT TEAM

Rahul A. Patel	<i>Managing Director</i>
Amit D. Patel	<i>Managing Director</i>
S.B. Dangayach	<i>Managing Director</i>
L.M. Rathod	<i>Group C.F.O. &amp; Company Secretary</i>
Sunilkumar Kanojia	<i>Group President (Corporate)</i>
Sanjib Roy	<i>Senior President – SBU-I (Plastic Div.)</i>
S. Venkatachalam	<i>President – SBU-II (Plastic Div.)</i>
B.R. Jayswal	<i>President – Fin. &amp; Acc. (Plastic Div.)</i>
Rajan Gulabani	<i>Vice President – Marketing (Plastic Div.)</i>
S.M. Anerao	<i>Vice President – Marketing (Plastic Div.)</i>
A.C. Saxena	<i>Vice President – Marketing (Plastic Div.)</i>
Balakumar Rajgopalan	<i>Vice President – Housing (Plastic Div.)</i>
Shashidhar B.C	<i>President – Marketing. (Textile Div.)</i>
Ashoke Maitra	<i>President – Opr. (Textile Div.)</i>
R.A. Sharma	<i>President – Proc. (Textile Div.)</i>
Manven Dubey	<i>Vice President – MIS</i>
Siddhartha Jha	<i>Vice President – Tech. (Textile Div.)</i>
Rajiv Naidu	<i>Head - IR &amp; PR</i>

## AUDITORS

Deloitte Haskins & Sells  
Chartered Accountants  
Ahmedabad

## REGISTERED OFFICE

Near Seven Garnala  
Kalol (N.G.) 382721  
Tel : (0091-2764) 253000  
Fax : (0091-2764) 253100, 222868  
E-mail : bvm@sintex.co.in

## REGISTRAR & SHARE TRANSFER AGENT

Pinnacle Shares Registry Pvt. Ltd.  
Nr. Ashoka Mills, Naroda Road  
Ahmedabad 380 025

## BANKERS

State Bank of India  
Bank of Baroda  
IDBI Bank Limited

## MANUFACTURING FACILITIES AT

- **Kalol**  
Nr. Seven Garnala  
Kalol 382 721 (N.G.),  
Dist.: Gandhinagar  
Gujarat
- **Bangalore**  
61-C, Bommasandra Ind. Estate  
Hosur Road  
Bommasandra 562 158  
Karnataka
- **Kolkata**  
Plot No. 40 & 41  
Uluberia Growth Center  
Nr. Birsipur Railway Station  
Dist.: Howrah  
West Bengal
- **Daman**  
Plot No. 34,39 & 40, Survey No. 168  
Dabhel Ind. Co. Op. Society Ltd.  
Dabhel  
Daman (Union Territory)
- **Baddi**  
Pillanvali Road  
Nr. Raja Forging Gears Ltd.  
Dist.: Solan  
Himachal Pradesh
- **Nagpur**  
Plot No : B/124 Batti-Bori  
MIDC, Batti-Bori  
Dist.: Nagpur  
Maharashtra
- **Salem**  
131, Sandhiyur Attayampatti  
Behind S.V.T. School  
Via-Mallur, Trichy Main Road  
Salem, Tamil Nadu 636203
- **Bhachau**  
Plot No.1211/1, 1223/24/31  
Bhachau Gandhidham Highway  
Dist.: Kutch  
Bhachau, Gujarat 370 140

# Ten years at a glance

(Rs. in crore)

	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Fixed assets (Net)	149.74	381.71	378.82	364.87	480.25	493.44	470.64	635.43	783.96	1221.29
New project expenses	51.25	56.44	55.23	121.49	18.33	29.62	19.02	38.79	242.68	197.38
Investments	13.69	11.29	31.07	11.53	56.86	167.47	156.83	206.53	429.77	637.89
Net current assets	85.07	131.35	100.79	122.79	136.05	219.92	449.59	518.63	1690.47	1640.05
Misc. exp. (Not written off)	2.62	1.91	4.07	3.51	3.20	6.10	3.40	2.12	1.15	0.17
<b>Total assets (Net)</b>	<b>302.37</b>	<b>582.70</b>	<b>569.98</b>	<b>624.18</b>	<b>694.69</b>	<b>916.56</b>	<b>1099.48</b>	<b>1401.49</b>	<b>3148.03</b>	<b>3696.78</b>
Borrowings	149.77	245.67	217.15	250.33	298.58	338.41	582.66	678.26	1536.93	1938.36
Preference share capital	15.00	15.00	15.00	15.00	—	—	—	—	—	—
Equity share capital	14.56	14.56	14.56	14.56	14.56	18.48	19.73	22.19	27.10	27.10
Share warrants	—	—	—	—	—	13.92	5.41	—	47.80	—
Reserves and surplus	123.04	307.47	316.91	335.23	337.42	488.71	429.73	628.68	1436.75	1600.63
Deferred tax liability	—	—	6.36	9.06	44.13	57.04	61.95	72.36	99.45	130.69
<b>Total capital employed</b>	<b>302.37</b>	<b>582.70</b>	<b>569.98</b>	<b>624.18</b>	<b>694.69</b>	<b>916.56</b>	<b>1099.48</b>	<b>1401.49</b>	<b>3148.03</b>	<b>3696.78</b>
Debt/Equity Ratio	1.1:1	1.6:1	1.3:1	1.35:1	1.59:1	0.95:1	1.28:1	1.04:1	1.02:1	1.19:1
<b>Sales and other income</b>	<b>209.66</b>	<b>296.28</b>	<b>376.56</b>	<b>447.01</b>	<b>547.27</b>	<b>687.98</b>	<b>874.74</b>	<b>1184.17</b>	<b>1719.60</b>	<b>1998.06</b>
Raw materials	82.11	106.22	145.13	196.51	254.37	318.15	510.54	695.39	1025.08	1159.22
Salaries and wages	17.88	21.08	21.59	23.25	26.46	30.55	37.42	47.90	63.46	77.52
Operations and other expenses	72.12	109.40	143.93	142.25	168.35	215.57	152.26	196.88	242.58	293.29
Interest	9.79	19.29	21.57	28.49	26.24	24.85	29.09	40.99	56.25	63.97
Gross profit/(loss)	27.76	40.29	44.34	56.50	71.85	98.86	145.43	203.00	332.23	404.06
Depreciation	12.92	18.08	22.68	22.07	22.63	28.25	31.13	41.47	51.70	62.40
<b>Profit/(loss) before taxes</b>	<b>14.84</b>	<b>22.21</b>	<b>21.66</b>	<b>34.43</b>	<b>49.22</b>	<b>70.61</b>	<b>114.30</b>	<b>161.53</b>	<b>280.53</b>	<b>341.66</b>
Taxes	1.55	1.81	2.43	10.49	15.40	20.49	22.26	30.93	64.20	72.56
<b>Profit/(loss) after taxes</b>	<b>13.29</b>	<b>20.40</b>	<b>19.22</b>	<b>23.95</b>	<b>33.82</b>	<b>50.12</b>	<b>92.04</b>	<b>130.60</b>	<b>216.33</b>	<b>269.10</b>
Extra ordinary items	(0.13)	3.74	—	—	(0.16)	3.79	(0.03)	(0.02)	—	(2.39)
<b>Net profit</b>	<b>13.17</b>	<b>24.14</b>	<b>19.22</b>	<b>23.95</b>	<b>33.66</b>	<b>53.91</b>	<b>92.02</b>	<b>130.58</b>	<b>216.33</b>	<b>266.71</b>
Dividend	3.60	4.06	4.06	4.79	5.63	7.39	8.86	10.75	13.65	15.02
Tax on dividend	0.40	0.65	0.19	0.57	0.72	0.97	1.24	1.83	2.32	2.51
Retained earnings	22.09	37.51	37.66	40.65	49.94	73.80	113.04	159.48	252.05	311.58
Earning per equity share (Rs.)	1.81	3.32	2.36	2.97	4.43	7.14	9.95	12.15	18.35	19.68
Book value per equity share (Rs.)	94	221	232	246	272	313	*52	*65	*119	*130
Dividends per equity share (Rs.)	1.50	1.50	1.50	2.00	3.00	4.00	*0.88	*0.96	*1.00	*1.10

\* On subdivided equity share of Rs. 2 each.

# Directors' Report

*Dear Shareholders,*

Your Directors take pleasure in presenting the 78th Annual Report and audited accounts for the financial year ending March 31, 2009.

## Financial results

The financial performance of your Company for the year 2008-09 is given below:

	(Rs. in crore)	
	2008-09	2007-08
Gross profit	404.06	332.23
Less : Depreciation	62.40	51.70
<b>Profit before tax</b>	<b>341.66</b>	<b>280.53</b>
Less: Provision for taxation - current tax (including FBT of Rs. 1.70 crore)	41.32	37.12
Deferred tax	31.24	27.08
<b>Profit/(loss) after tax before prior period items</b>	<b>269.10</b>	<b>216.33</b>
Excess/(short) provision for taxation in earlier years (net)	(2.39)	–
<b>Profit after tax</b>	<b>266.71</b>	<b>216.33</b>
Balance brought forward from previous years	456.16	280.80
<b>Profit available for appropriation</b>	<b>722.87</b>	<b>497.13</b>
<b>Appropriations</b>		
General reserve	30.00	25.00
Debenture redemption reserve	1.17	–
Proposed dividend on equity shares	15.02	13.65
Tax on dividend	2.51	2.32
Balance carried to balance sheet	674.17	456.16
<b>Total</b>	<b>722.87</b>	<b>497.13</b>

## Review of numbers

The financial year 2008-09 challenged the sustainability of your Company. Surging oil prices in the first half and the appreciating rupee dampedened the plastic and textile sectors' sentiments. The second half witnessed the worst global meltdown in decades, adversely impacting global corporates and governments and leading to a global financial crisis and demand destruction across all sectors.

Your Company's ability to innovate solutions, market concepts and create new markets where none existed before enabled a sustainable business model capable of withstanding any adverse external effects. Your Company strategically widened product, project and service portfolios, maintaining an overall growth momentum despite segmental imbalances created by external economic factors. Your Directors are pleased to inform that despite these roadblocks, your Company's performance was commendable during the year under review.

- Gross turnover grew 10.71% from Rs. 1,790.29 crore in 2007-08 to Rs. 1,982.04 crore in 2008-09.
- EBIDTA grew 20.48% from Rs. 388.48 crore in 2007-08 to Rs. 468.03 crore in 2008-09.
- Profit after tax grew 23.28% from Rs. 216.33 crore in 2007-08 to Rs. 266.71 crore in 2008-09.
- Cash plough back in the business grew 21.62% from Rs. 332.23 crore in 2007-08 to Rs. 404.06 crore in 2008-09.
- Earning per share stood at Rs. 19.68 (basic) and Rs. 19.68 (diluted) in 2008-09.

## Dividend

Your Company practices an intelligent policy of maintaining a prudent balance between rewarding its shareholders and its need to fund growth initiatives. This is reflected in a more than 26.31% CAGR over the last decade and a 75-year uninterrupted dividend payout record. In keeping with this policy, your Directors are pleased to recommend a dividend of Rs. 1.10 per equity share on a face value of Rs. 2 each on 13,64,95,433 equity shares and any further shares that may be allotted by the Company following the conversion of bonds prior to October 1, 2009. In the previous year, Re. 1 per equity share was distributed on a face value of Rs. 2 each on 13,64,95,433 equity shares. This dividend will be subject to the approval of shareholders, financial institutions and banks.

## Business review and divisional performance

A detailed discussion of the performance of operations of your Company is given elsewhere in this annual report under 'Management discussion and analysis report'

### 1) Plastics division

The plastics division grew 15.52% from Rs. 1,311.73 crore in 2007-08 to Rs. 1,515.32 crore in 2008-09, retaining its position as the Company's key growth engine. It accounted for 80.46% of your Company's revenue in 2008-09 against 79.22% in 2007-08. The growth was primarily accelerated by the prefabs and the monolithic construction segments. Other growth drivers included the custom moulding and water tanks segments. Your Company introduced a number of novel products and 'complete solutions' which reinforced their brand name, reflected in growing recall and market share.

**Monolithic construction:** Your Company's affordable housing programme yielded excellent results and was clearly recognised as a leader in the mass housing for EWS/LIG segment. The monolithic concrete construction technology has been recognised as the best means for

delivering superior-quality and low-cost mass housing solutions. The Central Government's initiative to provide homes to every family below the poverty line will boost the Company's growth plans.

Your Company is in the process of negotiating new housing solution contracts in several states. Besides, the Company is looking to develop and offer housing under its own brand name, creating an outfit that will provide appropriate housing in relevant markets.

Your Company delivered a significant number of dwelling units in 2008-09, registering a near four-fold revenue growth. Besides, the massive order book in this segment provides revenue visibility up to May 2010.

**Prefabricated structures:** The prefabs business, driven by government sector and institutional customer demand, registered considerable growth over 2007-08. The Company's prefabs received excellent response, becoming a leader in small to medium size prefabs for health, education, site and road infrastructure.

Your Company successfully established a global footprint, exporting to Africa and parts of Asia for housing, schools, medical centres, kiosks and BT shelters, among others.

In 2008-09, your Company also introduced a new line for manufacturing continuous sandwich panels, which are sure to emerge as a revolutionary product group and will help the Company redefine construction. These panels are not only insulated but possess superior structural strength enabling the Company to create walls and roofs that will replace traditional built-up structure construction methods. With the use of these panels, your Company will be able to create new markets for this product line.

In tune with swift changes in the telecom space, your Company registered as a total solution provider, providing a consistent and significant growth opportunity over the coming years.

Your Company expanded its range of doors and also witnessed increasing acceptance of PVC windows owing to the various benefits they offer against traditional windows. Doors and windows coupled with plastic sections will deliver impressive growth in years to come.

**Custom moulding:** Your Company shared excellent business relationships with the electrical sector. Your Company is one of the largest enclosure manufacturers for various products like meters, fuses and electrical equipment, among others. Your Company also serviced utility companies in both private and public sectors. Additionally, your Company executed turnkey projects for last mile connectivity in Rajasthan, Karnataka and Gujarat.

In the FRP tanks segment, your Company's products were approved by IOCL and other oil marketing companies.

Your Company actively pursued business in OEM and

secured approval from companies like John Deere, M&M, Cummins and Kirloskar Engines, among others for specialised and customised products.

**Liquid management solutions:** Water tanks, the foundation of your Company maintained its topline owing to the significant reduction in price gap between the organised and unorganised sectors and an extended, pan-India semi-urban and rural reach. As a product extension, your Company successfully launched the septic tanks. Also, your Company developed and marketed decentralised wastewater treatment systems in collaboration with Aqua Nishihara Corporation Ltd., Thailand and Japan. Other innovative solutions which received heartening acceptance were the rain water harvesting and grey water recycling systems.

**Material handling solution:** Your Company's material handling segment registered positive growth. Your Company decided to add racking systems and equipment to its range, offering a total material handling solution to industries and institutions which would enhance its business.

### New initiative

#### Green initiatives and prospects

Your Company integrated certain "green" elements. Our association with CEPT University, Ahmedabad helped spread awareness regarding green and sustainable building materials and technologies. Under Sintex Chair, CEPT has signed an MoU with the Indian Green Building Council for evaluation, approval and recommendation of various materials and technologies that form a part of green buildings in India.

The initiatives taken under this chair will help the country in general and your Company in particular, by bringing about a green orientation in the field of built-up structures.

In the forthcoming years, your Company will be able to offer affordable green housing solutions using several technologies like decentralised wastewater treatment systems, grey water recycling systems, solar water heating systems and rain harvesting structures.

## 2) Textiles division

Despite the sizeable reduction in global consumption expenditure impacting textile purchases, the textiles division grew 7.01% from Rs. 343.97 crore in 2007-08 to Rs. 368.09 crore in 2008-09. Although this division's contribution to the Company's revenue was 19.54% in 2008-09 against 20.78% in 2007-08, this business segment continued to be a value driver.

Your Company undertook a number of business strengthening initiatives in 2008-09:

- Installed state-of-the-art equipment in the spinning and

weaving section to improve product quality and machine productivity.

- Added two new buyers in the UK and added a number of brands in the domestic market.
- Added a new business house which will grow the ladies wear business.
- Launched the ready-to-stitch cut pieces and small metre lengths for retailers on a pan-India basis.
- Ventured into the technical textile segment with tents, water proof and fire retardant fabrics for the defence segment.
- Developed about six new finishes and seven new products to grow our addressable market.

The contribution from the new revenue verticals, namely women's wear and furnishing, increased over the previous year.

#### Subsidiaries - performance

##### 1) Zeppelin Mobile Systems India Ltd.

The Company's topline declined from Rs. 127.26 crore in 2007-08 to Rs. 110.82 crore in 2008-09 owing to an order for a leading service provider which was completed but could not be converted into revenue. Despite negative topline growth, Zeppelin sustained profitability growth momentum by widening product portfolio and adding three new clients. Additionally, the Company received approvals for its composite shelter from Bharti Infratel Ltd. which would grow the Company's size and profitability in the coming years. Also, the Company received product approvals from BSNL and ITI Rae Bareli. It received specific approvals on certain products:

- For supplying towers to Aircel from IIT, Chennai
- For refrigerated body for Tata ACE

As a significant value addition, the Company acquired Digvijay Group, an end-to-end communication solution provider and emerged as a total solution provider in the telecom space from a conventional product supplier.

##### 2) Bright AutoPlast Pvt. Ltd.

Bright AutoPlast reported a Rs. 126.66-crore topline with improved profit margin during the period under review. The bottomline improved owing to the addition of new customers, acceptance of products for new platforms of existing clients. The Company commissioned its second facility at Chennai in March 2009; this is expected to add significantly to growth and profitability over the coming years.

The Company's Pune unit was awarded the coveted TS-16949 certificate and its Chennai facility received the 'Best Supplier' Award in spares by MOBIS.

##### 3) Wausauke Composites Inc. (WCI)

The Company registered a turnover of USD 44.11 mn in

2008-09. During the year under review, WCI added an important client — New Flyer Bus Company. New Flyer, the largest North American bus manufacturer, transferred its account to WCI, a programme worth around USD 1.20 mn annually. The program was launched at Owosso, Michigan. The launch of the Harley-Davidson, Tri-Glide Motorcycle Body Programme was a highly successful programme for the Company. With a long-term view of wind energy development, especially in North America, the production of wind turbine nacelles and blade hub covers for Acciona Wind Energy and Clipper Wind was on an upward trend.

Additionally, the Company was awarded the Siemens Transportation Systems as well as Salt Lake City Interior Components Programme of mass transit segment. It also received a new baggage scanner project for Analogic Corporation for the medical imaging segment.

##### 4) Nief Plastics SA

During 2008-09, Nief Plastics recorded a turnover of Euro 113.68 mn. Nief Plastic manufactures a wide variety of plastic products with applications in the automotive, electrical and electronics, aeronautics and defence, household appliances and building industries. Nief has strong presence across Europe, especially in high quality insertion moulding technology. Its clientele includes prestigious European and global brands namely ABB, Areva, EADS, Faurecia, Legrand, Schneider, Siemens, Snecma, ThyssenKrupp Automotive, Valeo and Visteon. Nief Plastic successfully entered into the high-growth aerospace sector. In October 2008, Nief Plastics acquired AIP SAS — a Company present in the lucrative aeronautic and medical sectors. AIP is largely involved in plastic injections.

#### Strategic acquisitions

The Company strengthened its business during the year under review through the following strategic acquisitions:

##### Digvijay Group

Pursuant to a business transfer agreement dated June 16, 2008, Zeppelin Mobile Systems India Limited, a Sintex subsidiary, acquired the Digvijay Group for Rs. 64.52 crore. The Group essentially provides end-to-end communication solutions. The Group has a 3,600-TPA tower manufacturing facility near Indore, Madhya Pradesh with the ability of supplying a variety of towers as per order design and specifications. Its services include infrastructure development, installation and commissioning of towers and BT structures. Its communication solution comprises site acquisition, architecture planning, civil work, tower erection and site maintenance. Its core areas of operation comprise Madhya Pradesh and Chhattisgarh; its footprint extends to other states namely Gujarat, Maharashtra, Andhra Pradesh and Uttar Pradesh, among others.

## AIP SAS

AIP specialises in CNC machining and is a leader in this activity. AIP's market is split into three sectors — aerospace, medical and industry.

The consolidation of the turnover made in the aerospace sector, the diversification in the medical sector into value-added products, the contribution of complementary processes would allow Nief Plastic to improve its offer in these sectors. This buy-out will also enable Nief Plastic to acquire a new know-how i.e. CNC machining.

## Non-convertible debentures

On February 18, 2009, the Company issued 11.50% secured redeemable non-convertible debentures aggregating to Rs. 250 crore to LIC of India on a private placement basis for financing capital expenditure on existing operations, general corporate purpose and to meet long term working capital purpose as well as other expenditures as permitted by the investors.

The debentures would be redeemable in three annual equal installments at the end of the seventh, eighth and ninth year from the date of allotment.

CARE has assigned "AA+" ("Pronounced Double A plus") rating to these debentures. This rating indicates high degree of safety with regard to timely payment of interest and principal on the instrument.

The aforesaid debentures are listed on the wholesale debt market of the Bombay Stock Exchange Limited.

## Preferential warrants allotment

During the last year, the Company allotted 1,32,00,000 warrants at a price of Rs. 454.74 per warrant (10% of the consideration received upfront) to the Promoters' Group on preferential allotment basis and the warrants are optionally convertible into equity shares of Rs. 2 each within 18 months of allotment date.

During the year under review, the promoter group to whom the warrants were allotted informed the Company of not exercising the balance warrants of 1,05,12,000 and the Company, thereby, forfeits the 10% upfront amount of Rs. 47.80 crore as per the SEBI Guidelines and credited the amount to capital reserve.

## Employee stock option scheme

The shareholders of the Company had approved of its employee stock option plan (Sintex Industries Limited Employees Stock Option Scheme 2006) in February 2006. This ESOPS is administered by the Sintex Employee Welfare Trust on the basis of recommendations of the Compensation Committee of the Board. In terms of the plan, the Company periodically granted stock options to eligible employees. The Company will conform to the accounting policies specified in the guidelines as amended periodically. The details of the scheme are set out in Annexure 1 of this report.

## Changes in equity share capital

In 2008-09, there was no change in the share capital of the Company.

## Scheme of arrangement

The Scheme of Arrangement between Sintex Industries Limited and its equity shareholders was approved by the Board of Directors vide the Circular Resolution dated June 30, 2008, the shareholders in its Court Convened meeting held on September 15, 2008 and by the Honorable High Court of Gujarat vide its order dated March 25, 2009.

The Scheme envisages a financial restructuring exercise for the Company by earmarking an amount of INR 200 crore from its Securities Premium Account as on March 31, 2008 towards the "International Business Development Reserve". International Business Development Reserve so created would be utilised towards the permissible expenditure as per the Scheme of Arrangement, on stand alone as well as consolidated basis. The effects have been given in our books of accounts.

## Directors

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Shri Rooshikumar V. Pandya, Shri Rahul A. Patel and Shri Amit D. Patel, retire by rotation, but being eligible offer themselves for re-appointment.

For the kind perusal of the shareholders, a brief resume of each of them, the nature of their expertise and the name of the companies in which they hold directorships and the details of membership of the committees of the Board are enclosed. Your Directors recommend their reappointment.

## Fixed deposits

Your Company did not float any deposit scheme.

## Listing of shares and securities

The names and addresses of the stock exchanges where the Company's securities are listed are given below:

- The National Stock Exchange of India Ltd., Exchange Plaza, Plot No. C-1, G Block, IFB Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400051.
- Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.
- Ahmedabad Stock Exchange Ltd., Kamdhenu Complex, Panjrapole, Ahmedabad 380015.
- Singapore Exchange Securities Trading Limited, 2 Shenton Way, # 19 – 00 SGX Centre 1, Singapore 068804. (FCCB'S USD 225 million).
- Bombay Stock Exchange Limited (Wholesale Debt Market), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 (NCD INR 250 crore).

The Company paid listing fees to all the above stock exchanges for 2009-10.

## **Corporate Governance Report**

Your Directors adhered to the requirements set by the Securities and Exchange Board of India's Corporate Governance practices and implemented all the stipulations prescribed.

A separate Corporate Governance Report is furnished as a part of Directors' Report and the Certificate from the Company's Auditors regarding compliance with the conditions of Corporate Governance is annexed to it.

## **Directors' Responsibility Statement**

To the best of their knowledge and belief and based on the information obtained by them, your Directors make the following statement in terms of Section 217(2AA) of the Companies Act, 1956:

1. That in the preparation of the annual accounts for the year ending March 31, 2009, the applicable accounting standards have been followed and there have been no material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
4. That the annual accounts for the year ending March 31, 2009 have been prepared on a going concern basis.

## **Consolidated financial statements**

The company has made an application u/s. 212(8) of the Companies Act, 1956 to the Central Government seeking exemption from attaching the Annual Accounts of subsidiaries and expects to receive the same.

The some key information has been disclosed in a brief abstract forming part of this Annual Report. Accordingly, the report contains the consolidated audited financial statements prepared as per Clause 41 of the Listing Agreement entered into with the stock exchanges and prepared in accordance with the accounting standards prescribed by the ICAI.

Further, the annual accounts of the subsidiary companies and the related detailed information will be made available to any member of the Company/its subsidiaries at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any member of the Company/its subsidiaries at the registered office of the Company and that of the respective subsidiary companies.

## **Conservation of energy, technology absorption, etc.**

A statement containing the necessary information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report as Annex 2.

## **Particulars of employees**

The information required under section 217(2A) of the Companies Act, 1956, read with Companies (Particular of Employees) Rules, 1975, forms part of this report as Annex 3. However, as permitted by section 219(l)(b) (iv) of the Companies Act, 1956, this Annual Report is being sent to all shareholders excluding the said Annexure. Any shareholder interested in obtaining the particulars may obtain it by writing to the Company Secretary at the registered office of the Company.

## **Insurance**

All the insurable interests of the Company, including plant and machinery, stocks, loss of profits, standing charges and insurable interest are adequately insured.

## **Auditors**

M/s. Deloitte Haskins & Sells, statutory auditors of the Company, retire and being eligible, have indicated their willingness to be re-appointed.

The Company has earmarked Rs 200 crores from Securities Premium Reserve to International Business Development Reserve Account, in accordance with the Scheme of Arrangement approved by the Honorable High Court of Gujarat vide its order dated March 25, 2009. There are no other observations/ comments of the auditors in their report.

## **Cost accounting records**

As required under the order made by the Central Government, the Company is maintaining necessary cost accounting records with respect to cotton textiles.

## **Acknowledgements**

Your Directors express their gratitude for the cooperation and support received from vendors, customers, banks, financial institutions, shareholders and society at large. Your Directors also take, on record, their appreciation for the contribution and hard work of employees across all levels. Without their commitment, inspiration and hard work, your Company's consistent growth would not have been possible.

On behalf of the Board,

**Rahul A. Patel** **Amit D. Patel**  
*Managing Director* *Managing Director*

Date : May 9, 2009

Place : Ahmedabad

# Annexure 1 to the Director's Report

## Disclosure pursuant to the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

Details of the grants as on March 31, 2009	
a. Total number of options covered under the plan	10,00,000
b. Total number of options granted	10,00,000
c. Pricing formula	An exercise price of Rs. 91.70 per share shall be payable by an employee pursuant to the ESOP Scheme.
d. Vesting schedule	The employee can opt for conversion of the options by applying to the Trust by a written notice during the exercise period, in a specified format accompanied by payment of the exercise price and all applicable taxes. Such notice is required to be provided by the employees to the Trust not less than 30 (thirty) days before the exercise of the options by the employee.
e. Options vested	All options granted on any date shall vest at the expiry of 36 months from the date of the grant
f. Options exercised	Nil
g. Options lapsed	Nil
h. Variation of terms of options	No terms of the ESOP scheme have been varied.
i. Money realised by exercise of options	No options have been exercised so far and therefore no money has been realised till date by exercise of options.
j. Total number of options in force	10,00,000
k. Person-wise details of options granted to:	
i) Directors	10,000
ii) Key managerial employees	9,90,000
iii) Any other employee who received a grant in any year of options amounting to 5% or more of options granted during that year	Nil
iv) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the Company at the time of grant	Nil
l. Diluted earnings per share	Not applicable as no options have been exercised.
m. Weighted average exercise price	An exercise price of Rs. 91.70 per equity share shall be payable to the ESOP Scheme.
n. Weighted average fair value of options	Not applicable
o. Description of method and assumptions used for estimating fair value of options	Not applicable

# Annexure 2 to the Director's Report

## Information required under Section 217(1)(e) of the Companies Act, 1956

### 1) Conservation of Energy

#### a) Energy conservation measures taken:

- 1) Installed three captive power plants of 3.8 MW each and one 7.5 MW Gas Turbine Power plant, which are efficiently working. Each unit generated is cheaper as compare to GEB cost per unit.
- 2) In textile division, FRP fans replaced in place of alluminium fans at Humidification plant ultimately resulting into saving of energy.
- 3) Installation of Auto Transformer in Lighting power resulting into substantial power saving.
- 4) Condensate Water taken back into system for re-use resulting into saving of cost.
- 5) In plastic division during the year, several modifications were made in the moulding machines to increase the production with the same input of energy. This is expected to bring down the energy consumption. Several measures were taken for redesigning the energy consumption in the other manufacturing departments.

#### b) Additional Investments and Proposals, if any, being Implemented for Reduction of consumption of energy.

- 1) The Company has installed 7.5 MW Gas based power plant which is eco-friendly. In this plant, power generation is cheaper. It has reduced use of fossil fuel considerably, resulting in reduction in GHG emission. Since GHG is reduced, we are going to get benefit of CDM Project. The Project is in final stage of approval. Company will get Carbon Credit Benefit shortly.
- 2) In Textile division we are installing High Efficient L. R. Ring frame machine in our Spinning Section in place of old conventional Ring Frame machine resulting into achievement of substantial power savings.
- 3) In Plastics Division, we are considering to use energy efficient burners and energy efficient light fittings in the whole plant.

#### c) Impact of the measures (a) and (b) above for reduction of the Energy consumption and consequent impact on the cost of Production of goods.

- 1) Due to the installation of gas turbine power plant, the turbine can be run on multi fuels, ensuring operational continuity in the event of any planned/un planned disruption in fuel linkage.
- 2) In Textile Division higher and good quality of production achieved with saving of considerable power consumption.
- 3) The above mentioned measures have resulted into energy saving and subsequent reduction in energy cost and hence in cost of production.
- 4) In Plastics Division the impact of energy saving devices will be peripheral in the beginning. It can however be substantial if the whole programme is implemented.

#### d) Total energy consumption and energy consumption per unit of production in respect of the Company's products.

Details are provided in Form A annexed hereto.

### 2) Technology Absorption

#### e) Efforts made in technology absorption

- a) We have been able to assimilate and develop products based on technology of Containment solutions, USA in the field of underground tanks, manholes, wet wells etc.
- b) We have been further able to develop several models of package type waste water treatment plants and septic tanks to address problem of wastewater treatment at site in a decentralized manner through technical collaboration with M/s. Aqua Nishihara Corporation Ltd., Japan.
- c) We have also developed appropriate technologies and techniques in the field of windows, doors, SMC Products etc.

Details are provided in Form B annexed hereto.

### 3) Foreign exchange earnings and outgo

#### f) Activities relating to exports, initiatives taken to increase exports, development of new markets for products and services and export plans.

In Textile division, the Company has obtained quality certification "OEKO TEX" Standard 100 Certificate for Eco-friendly

Products, Certified by TESTEX, Switzerland. To develop export markets the Company has entered in to technical and marketing tie up with leading design houses. These all has enhanced the competitiveness of our products in global markets.

g) Total foreign Exchange used and earned.

	(Rs. in Crore)	
	2008-09	2007-08
i) Foreign Exchange earned including direct exports.	33.30	40.04
ii) Foreign Exchange used	28.50	58.25

## FORM - A

### Form for disclosure of particulars with respect to consumption of energy.

	Current Year	Previous Year
<b>A) Power and Fuel Consumption</b>		
<b>1. Electricity:</b>		
a) purchased: Unit (lacs)	151.26	81.47
Total Amount (Rs. lacs)	850.45	446.05
Rate/Unit(Rs.)	5.62	5.47
b) Own Generation		
i) Through Captive Power Plant: (M&W)		
Units(lacs)	182.42	342.80
Units per litre of Diesel/Furnace oil/Gas	3.71	3.51
Cost/Unit(Rs.)	4.28	4.69
ii) Through Captive Power Plant: (GT)		
Units (lacs)	418.38	333.56
Units per SCM of Gas	3.33	2.95
Cost/Unit (Rs.)	5.13	6.79
iii) Through Diesel Generator:		
Units (lacs)	5.20	1.19
Units per litre of Diesel	2.97	3.46
Cost/Unit (Rs.)	13.68	8.87
<b>2. Furnace Oil: (Qty.Kilolitres)</b>		
Total Amount (Rs.lacs)	1859.63	4169.49
Average Rate (Rs./litre)	20.28	26.79

		Current Year	Previous Year
3. Others:			
a) Natural Gas			
Quantity Consumed in M3		6648.379	9133.962
Total cost (Rs.lacs)		319.12	295.47
Rate/Unit(1000 m3)(Rs.)		4800.000	3234.87
b) RLNG Gas			
Quantity Consumed in (000) SCM		7651.749	7348.164
Total cost (Rs.lacs)		1640.19	1259.13
Rate/Unit (000 SCM)(Rs.)		21435.62	17135.28
c) L.P.G			
Quantity consumed (in lacs kgs)		31.95	28.52
Total cost (Rs.in lacs)		1413.96	1210.43
Rate/unit (Kgs.) (Rs.)		44.25	42.43

	Standard	Current Year	Previous Year
B) Consumption per Unit of Production			
1. Electricity (Units)			
Textile			
a) Fabrics on production meters basis	No	3.36	3.85
b) Yarn (per kg.)	Specific	6.65	9.08
Plastic Containers (per kg.)	standard as such	0.54	0.50
	The consumption		
Plastic Section (per kg.)	per unit	0.81	0.68
	depends		
Sheet Moulding (per kg.)	On the	0.62	0.57
	Product		
Thermoforming	Mix	1.84	2.62
2. Furnace Oil (Textile – on production mtr.basis)		0.31	0.61
3. Others:			
a) Gas(M3)			
(Textile ( on production meters basis)		0.17	0.38
Plastic Containers (Per kg.)		0.23	0.23
Plastic Sections (Per kg.)		0.01	0.03
Sheet Moulding (Per kg.)			
b) L.P.G			
Plastic Containers (Per kg.)		0.23	0.21

The variation in consumption in power and fuel was due to a different product mix between current and previous year.

## FORM - B

### Form for disclosure of particulars with respect to absorption of technology, research & development

<b>Research and Development (R &amp; D)</b>	
1. Specific areas in which R & D carried out by the Company	Prefab shops, prefab houses, kiosks, modular toilets, portable toilets, underground water tanks, underground petroleum tanks, septic tanks, package type wastewater treatment systems, bamboo houses etc.
2. Benefits derived as a result of the above R & D.	Plastics Division developed various technologies and Techniques in the field of Plastics for the manufacture of above products.
3. Future plan of action	Plastics Division will continue to work on the improvement of our major products as well as developing specialized applications on existing processes.
4. Expenditure on R & D	
a) Capital	NIL
b) Recurring	Rs. 1.28 crore
c) Total	Rs. 1.28 crore
d) Total R & D expenditure as a percentage of total turnover	0.06%
<b>Technology absorption, adaptation and innovation.</b>	
1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	Efforts are made to improve cost effective technology for productive and quality improvement.
2. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	The Plastics Division has introduced a number of new products and opened up new areas of business.
3. Information regarding technology imported during the last five years.	Not applicable.

# Management's Discussion and Analysis

## Indian economic overview

India's economic growth moderated from 9% in 2007-08 to around 7% in 2008-09, primarily owing to the global financial meltdown from the beginning of the third quarter of 2008-09 fiscal.

The Indian economy witnessed extreme volatilities in 2008-09; consider the following:

- Economic buoyancy reflected by a 7.8% GDP growth in the first half of 2008-09
- Skyrocketing commodity prices as crude oil touched an all-time high of USD 147.27 per barrel in July 2008
- Unprecedented growth in investment and consumption-driven demand
- Inflation touched 12.63% in August 2008, highest in the last 13 years
- Forex reserves touched USD 253 bn as on April 11, 2009

The trend reversed in the second half of the year, which led to a sudden and steep downturn due to the following:

- Collapse of leading global financial institutions
- Declining fund availability in the Indian market
- Dipping industrial production
- Economic slowdown recording lowest growth since January-March 2003 quarter

	2004-05	2005-06	2006-07	2007-08	2008-09
GDP at factor cost	7.5%	9.5%	9.7%	9.0%	6.7%
Agriculture	0.0%	5.8%	4.0%	4.9%	1.6%
Manufacturing	8.7%	9.1%	11.8%	8.2%	2.4%
Construction	16.1%	16.2%	11.8%	10.1%	7.2%
Financing, insurance, real estate and business service	8.7%	11.4%	13.8%	11.7%	7.8%

## Government intervention

The Government of India announced two major stimulus packages, totalling USD 115 bn, to enhance market liquidity.

The packages are expected to provide a direct liquidity of USD 88 bn. Other key government initiatives comprise the following:

- Reduced CENVAT from 10% to 4% to facilitate a reduction in products cost
- Allowed ECB funding for developing integrated townships
- Allowed accelerated depreciation of 50% for commercial vehicles up to March 31, 2009 to catalyse commercial vehicle offtake
- Reduced CENVAT to 4% on petroleum products
- Increased infrastructure investment for ports and highways
- Discouraged cement import by raising CVD and special CVD/SAD

Besides, the Government of India initiated 90% grant to various state transport undertakings for the purchase of 40,000 commercial vehicles, besides other infrastructure investments.

## Expected stability

The fourth quarter of 2008-09 demonstrated a faint economic revival owing to the government's stimulus packages. The domestic economy is also expected to gain significantly following the continuance of the ruling UPA regime with a larger majority. The government is expected to accelerate fiscal reforms and investments to drive economic growth.

## How the Indian economy performed

### Trade

	2005-06	2006-07	2007-08	2008-09
Exports (USD bn)	103.09	126.36	163.13	168.70
Imports (USD bn)	149.17	185.75	251.65	287.76

### Foreign exchange reserve

	2005-06	2006-07	2007-08	2008-09
Foreign exchange reserve (USD bn)	151.62	199.18	309.72	251.99

### Investment and saving

	2005-06	2006-07	2007-08
Gross capital formations (as a percentage of GDP at market prices)	35.5	36.9	39.1
Savings rate (as a percentage of GDP at market prices)	34.2	35.7	37.7

### Segmental review

Sintex is attractively positioned in the growing plastics and textile businesses. The plastic division has a wide range of products with numerous applications. In the textiles segment, the Company manufactures structured shirting fabrics, fabric for ladies wear and is diversifying into other attractive segments like furnishing and technical textiles. It is a leading player in the corduroy segment in India.

## Plastic industry overview

India's plastics industry has made significant achievements ever since it made a modest but promising beginning in 1957 with the production of polystyrene. Continuous advancements in polymer technology, processing machinery, expertise and cost-effective manufacturing are fast replacing the conventional material in various user segments with plastics, a key segmental growth driver. Consequently, plastic is gaining importance in diverse segments and the per capita consumption is increasing rapidly.

Plastic, as a replacement of conventional metals, is gaining popularity due to significant advantages:

- Airbus has used plastic fibre composites in wing boxes, reducing aircraft weight by 1.5 tonnes.
- Metal replacement with plastic improves vehicle mileage; petrol consumption is reduced by 750 litres across the life of the vehicle.
- Capturing wind power would be impossible without plastics; special plastics are used in the wind turbine covers and huge blades to tap into this environment friendly energy source.
- Plastic is used as efficient insulators and sealers, improving energy efficiency and reducing CO<sub>2</sub> emission.

Around 20% of all plastics in Europe are utilised for products in the building industry. After packaging, the building industry represents the second highest user of plastics.

In India, the plastic processing industry comprises over 30,000 units, which are producing a wide range of plastic products through the process of injection moulding, blow moulding, extrusion and finally calendaring. At present, India consumes around 6.2 million tonnes of polymers annually. It is creditable that India's 90% plastic waste is recycled.

## SCOT analysis of the Indian plastic industry

Strengths	Challenges
<ul style="list-style-type: none"> <li>• Strong polymer base</li> <li>• Low cost labour</li> <li>• High percentage of recycled plastic</li> </ul>	<ul style="list-style-type: none"> <li>• Low scale of production</li> <li>• High cost of plastic for end-use application</li> <li>• Low labour productivity</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Per capita consumption is lower than the world average</li> <li>• Capture high value export segment where India doesn't have a significant presence</li> <li>• Increasing demand from various sunrise industries</li> <li>• Gaining popularity among the automobile OEMs</li> </ul>	<ul style="list-style-type: none"> <li>• Polymer imports from the Middle East</li> <li>• Processing industries in neighbouring countries could lead to imports</li> <li>• Environmental concerns with plastic packaging, leading to replacement by substitutes</li> </ul>

## Opportunities and outlook

India's plastic consumption is expected to grow significantly over the coming years. This optimism is based on the following realities:

- Growing oil prices have forced automobile majors to replace conventional material (namely steel) with lighter, high-strength, custom moulded plastic components, increasing the fuel efficiency of vehicles. According to a report, the proportion of plastic in cars has doubled in the preceding 30 years and will amount to about 20% by the end of the decade.
- Growing construction across India is driving the demand for temporary structures for site office, bunk houses and other residential units.
- Enhanced government focus on education is fuelling the demand for pre-constructed classrooms.
- Increasing focus on saving T&D losses is driving the demand for plastics in the electrical segment.

Per capita plastic consumption (figures in Kg.)

Japan	Europe	USA	China	World	India
90	90	80	27	20	6

[Source: *The Financial Express* February 4, 2009]

India's per capita consumption is around 6 kg; this figure will double over the next three years and India is all set to become the third largest consumer of polymers globally. Besides, the bilateral trade between India and China in the plastic sector is expected to increase to USD 60 billion by 2010 end from USD 38.7 billion in 2007. It is expected that USD 80 billion worth of new investment will take place in India's plastic industry over the next three-four years.

## Strategic developments 2008-09

- The Company invested Rs. 500.43 crore in its standalone operations to enhance production efficiency.
- The Company associated with CEPT University, Ahmedabad, to work towards the development of green and sustainable building material. CEPT has signed a MoU with Indian Green Building Council, evaluating, approving and recommending various materials and technologies forming part of green buildings in India.
- Zeppelin Mobile Systems India Limited, a Sintex subsidiary, acquired Digvijay Group for Rs. 64.52 crore. The Group essentially provides end-to-end communication solutions. Following the acquisition, Sintex transformed itself into a total solution provider in the telecom space compared with being a product supplier.
- The Company is gradually moving from marketing products into offering solutions. As a first step in this direction, it offered turnkey solutions in energy T&D sector, providing the last mile connectivity for Rajasthan's one lac consumers.

- Nief Plastics strengthened its business in 2008-09 through the strategic acquisition of AIP. AIP's market, a leader in CNC machining, is split into three sectors – aerospace, medical and industry. The turnover consolidation in the aerospace sector, the diversification of the medical sector with high value-added products and the contribution of complementary process would allow Nief Plastic to improve its product offering in these sectors. This buy-out will also enable Nief Plastic to acquire a new know-how i.e. CNC machining.
- The Company achieved the Dun & Bradstreet Rolta Corporate Awards 2008 for being the best in the Indian plastic processing category.
- Zeppelin Mobile Systems India Limited diversified its business into telecom services (TSP) segment to offer the larger portfolio to its customers in addition to product selling.

#### Developments in the plastics business

The plastics business contributed about 81% to the gross turnover in 2008-09 against 80% in 2007-08. The turnover from the plastic business grew about 12% in 2008-09, driven primarily by the building product, monolithic concrete construction and the custom moulding segments.

#### Custom moulding

In 2008-09, the Company successfully managed sizeable volumes of the plastic tanks for gensets from Cummins which was customised to suit their requirement in 2007-08. Moreover, the Company made a significant headway in this business vertical. It has now secured approvals from leading companies namely John Deere, Mahindra & Mahindra and Kirloskar Engines. This is expected to lead to sizeable business volumes over the coming years. Further, it developed and supplied a microwave dish antenna for a US-based Company. This business was increased by growing the range from the initial 60 mm to 120 mm and 180 mm.

#### Sheet moulded products (SMC)

The Company is the largest manufacturer of enclosures in India. With the meter boxes gaining significant acceptance among utilities, the Company focused on marketing distribution boxes during the fiscal under review. The key achievement in this segment was that we successfully completed two rural electrification projects on a turnkey basis, a first for the Company, which transformed its image from that of making and marketing products to offering

turnkey solutions. Besides, the Company added a number of new products to its existing list.

- Introduced V-cross arms for electricity transmission poles which received the approval from the Gujarat Electricity Board. The Company is working to get the product approved by other state electricity boards.
- Developed SMC components for Cummins.
- Developed value-added fuse boxes and meter boxes; the Company marketed the energy audit enclosures and developed the FRP-based cable trays which has gained significant acceptance in the market. The Company is using these trays as a part of the BT shelter solution.

Additionally, the Company developed first-time FRP-based products, namely manhole covers along with the structures, sign boards and ice boxes (for an Australian client). These products are expected to grow the revenue basket in 2009-10.

#### Industrial applications

This business vertical witnessed a large number of product developments, yielding considerable revenue over the coming years.

- The Company introduced pallet racking systems for the first time. In addition, the Company tied up with an Indian fork lift company to provide complete racking solutions. The sandwich panels from the prefab segment help the Company provide a comprehensive warehousing solution. The Company successfully completed the first-of-its-kind warehousing order in Punjab in 2008-09. This is expected to be replicated in other states over the medium term.

- In the specialised box business, the Company achieved considerable mileage. Besides making specialised boxes for Bharat Electronics Ltd., it also received enquiries from a US Company for customised carrier cases which is at an advanced stage of development and should result in revenue growth over the coming years. The Company is also developing customised and highly specialised carrier cases for an Israeli corporate.

- Other key developments include customised fish boxes, ice-cream boxes and bus seats, among others while are expected to contribute significantly to the segmental revenue.

#### Building products division

This is the biggest division for the Company; it contributed 20.98% to the revenue. This business segment comprises tanks, doors and windows.

India  
took 30 years to  
consume the first 500  
KT of polymers, but only  
five years to double that  
figure, thanks to  
economic reforms

[Source: *The Economic Times*  
– June 27, 2008].

**Water tanks:** Despite being a mature business segment with sizeable volumes, the tanks business maintain its growth in 2008-09. This success was due a multi-pronged approach. A focus on two brands (Sintex and Reno) strengthened the distribution network, three-folded distributors and created a second tier of retailers to extend their reach to capitalise on pan-India opportunities. Further, the Company expanded its product offering to include underground and large panel type water storage tanks, which are expected to fuel the growth of the business vertical in the coming years.

Additionally, the Company made significant headway in tanks for other applications. The FRP underground petroleum tanks received the approval from IOC. The client has made it mandatory to use such tanks in all IOC pumps in the West, creating a sizable business opportunity. The Company successfully installed a massive number of tanks during the year among diverse customer segments.

**Doors and windows:** The strengthened dealer network facilitated a sizeable growth in these products. The Company strengthened its geographic presence across four states. Besides, the PVC windows received increasing acceptance due to its ability to reduce the heat in houses and minimise the external sound, growing business volumes. Besides, the windows business was driven by innovative measures:

- Expanded the range of doors in terms of material quality and varieties of designs to cover multiple applications.
- New systems were introduced to make the windows more functional and cost-effective, increasing their acceptability.
- Adopted a two-pronged approach by targeting institutional and retail customers.
- Provided equipment and training to the franchisees and retailers for making the windows (with the knocked-down kits) for its clients.

### Prefabricated products division

This segment comprised prefabricated structures, BT shelters and monolithic concrete construction. This vertical grew 18.58% and contributed 54.91% to the Company's topline.

#### Highlights

- Commissioned a new line for manufacturing continuous sandwich panel, which is expected to emerge as a new concept for the construction sector.
- Established its footprint in Africa and Southeast Asia for the first time.

**BT shelters:** The Company made significant progress in this segment in terms of product offering. As opposed to providing shelters alone, the Company entered into turnkey solutions which included thermal management systems, which helped optimise the operating costs for the telecom service providers. The solution included the Phase Change Material (PCM) and Power Interface Unit (PIU). While the PCM acted as a 6-7 hour back-up for the generator set, the

PIU optimised energy consumption in the cell site. In addition, the Company also established a foothold in the implementing cell site sharing projects for large brands. The impact of the meltdown took a toll on this business vertical as some key clients postponed their infrastructure layout plans which are expected to materialise in the current year, providing significant revenue visibility.

**Monolithic concrete constructions:** This business was the best performing vertical in 2008-09 which registered a 115% growth in revenue. The Company delivered projects in North and West India; it can further extend its footprint across other states from the current five states. It improved the form work for the construction of buildings, enhancing life of the form work and optimising construction cost of the structures.

**Prefabricated structures:** Revenue from the segment increased 4.70% from Rs. 533 crore in 2007-08 to Rs. 558 crore in 2008-09. The Company successfully established an international footprint for the prefabricated structures in the global market namely Africa and Southeast Asia for housing, schools, kiosks, medical centres and BT shelters. During 2008-09, the Company made significant developments in this segment. It made important breakthroughs by introducing continuous sandwich panels, redefining construction. This allows the Company the flexibility of customising the input for specific applications. Besides, it also allowed the Company to graduate from small prefabricated structures to large variants such as factory sheds, warehousing shelters, bungalows, etc. This development will significantly enhance the Company's competitive edge and increase growth avenues.

### Waste management system

The Company diversified into waste water management systems in 2008-09, comprising solid and liquid waste management systems.

**Solid waste management solution:** The Company marketed waste collection equipment (tippers and loaders) to government agencies and other retail clients; it set its footprint in Tamil Nadu, Kerala and Karnataka. Moreover, the Company also marketed containers customised for the waste type being collected in these geographies.

**Liquid waste management solution:** The Company successfully launched the underground seamless septic tank. The Company introduced decentralised wastewater treatment system (DEWATS), grey water recycling system and rainwater harvesting structures. The DEWAT was developed and marketed in collaboration with Aqua Nishihara Corporation Ltd. of Thailand and Japan. This system was successfully test marketed in 2008-09 and is expected to be a significant revenue driver over the coming years, following government impetus to the DEWAT as against the centralised wastewater treatment systems.

### Performance of the plastics business

The plastics business generated a Rs. 1607.62 crore turnover in 2008-09 against Rs.1438.61 crore in 2007-08, a 12% growth. This business vertical contributed 81% to the Company's turnover (standalone) against 80% in 2007-08. This change was largely contributed by the four-fold growth in the monolithic concrete construction business. The prefab vertical grew at a mature 4.70% over 2007-08.

The Company's stringent cost reduction initiatives resulted in a 139-basis point increase in the EBIDTA margin from 23.46% in 2007-08 to 24.85% in 2008-09. Additionally, a strong order book in the monolithic construction segment provides a sizeable revenue visibility up to May 2010. Besides, its global subsidiaries will enable the Company to strengthen its global presence.

### Road ahead

Going ahead, the Company would enhance focus on the following initiatives:

- Alteration in the business model for the domestic market in some business segments.
- Value addition in the existing product basket in some other segments.
- Growing focus on the global market through certain important business verticals.

The Company is altering its business model from product sales to offering total solutions. As a first step in this direction it acquired the Digvijay Group which would enable it to provide network management services as opposed to marketing BT shelters, significantly widening its business horizon. In the energy sector too, the Company established its foothold into providing a rural distribution solution (from the substation to the end consumer).

The Company's warehousing solutions (prefabs and pallets), the racking system and the equipment are expected to gain acceptance in multiple states following a growing demand for storage. As a focused approach, the Company is looking to replicate its existing success across a few states of its strength.

The monolithic concrete construction business is expected to grow significantly over the coming years owing to its increasing acceptability as a fast, secure and low-cost housing solution. The Company expects to emerge from buying a contractor to being a developer, enhancing margins.

Besides, the Company is focusing on customising products for leading international brands. This is expected to grow the revenue and profitability over the coming years.

### Textile industry

The Indian textile industry accounts for around 4% of the GDP, 11% of the industrial production and 16% of India's total export earnings. The industry employs over 35 million people. With direct linkages to the rural economy and the agriculture sector, it is estimated that one of every six

households in the country depends on this sector, either directly or indirectly, for its livelihood.

### Fact file

- The contribution of the textile sector to India's IIP – 10.9%
- The contribution of the textile sector in manufacturing – 13.73%.
- The compound annual rate of the sector during 2001-07 – 4.6%.
- The growth in India's IIP during 2001-07 – 6.9%.
- The growth in India's manufacturing sector during 2001-07 – 7.4%.
- India's installed capacity in looms, the world's largest – 60.39%.
- India's share of production of fibre and yarn in the world production – 12.36%.
- FDI inflow in the sector – \$575 million.
- The share of FDI in textiles of the total FDI inflow – 1.05%.

### Export

The textile sector is among the top three foreign-exchange earners, along with gems and jewellery and IT. Rising raw material cost impacted, Indian exports significantly. India's garment sales to the US were the worst hit due to the economic slowdown – it shrunk 1.25% in 2008. But this trend is expected to be short lived owing to two important factors:

- The Chinese textile industry is looking to shift its production base to India due to the increased labour cost, appreciation of the Chinese Yuan and reduced subsidy from the government. This is expected to significantly reduce its export dominance to the US in favour of India.
- The US economy is expected to revive from the second half of 2009 which augurs well for the Indian textile industry; besides the depreciation of the Indian rupee against the US dollar is expected to improve the profitability of textile exporters.

### Opportunities and outlook

The outlook for the textile sector appears to be reasonably optimistic, based on facts and credible estimates:

- With the rupee losing value against the dollar, textiles and apparel exports are likely to gain 20% in the financial year. Also, the depreciation of the Indian rupee vis-à-vis the US Dollar as against the Chinese Yuan's appreciation has enhanced India's competitive edge in the global textile trade.
- Historically under-penetrated, India's textile and apparel industry is expected to grow from USD 52 billion in 2006 to USD 110 billion by 2012. As per Textile Ministry estimates, India will achieve an export target of USD 50 bn by 2012. Compared with the average global per capita consumption of 7.7 kg, per capita consumption in the country now stands at 2.5 kg, reflecting a growing market potential.

- India's technical textile industry will be worth USD 12-15 billion by 2012, around 12% of the global value. Consumption of non-wovens and technical textiles in India is also expected to grow from 100 gm now to 250 gm in 2012. The national mission to promote technical textiles has a budget support of over Rs. 1,600 crore (USD 170 million) for the next five years.

### **Developments 2008-09**

- Introduced technical textiles including catering to the defence requirements.
- Developed various specialised finished products that include airo finish, carbon finish, fashion coated products and nano care, among others.
- Developed new products by using various yarn blends including metallic yarn, silk yarn and melange yarn, among others.
- Installed state-of-the-art machinery equipped with compact yarn technology in the spinning section for uniform and improved yarn quality.
- Installed new, sophisticated auto-doffers in the spinning section, improving productivity.
- Installed the yarn package dye machine in the laboratory, reducing cycle time for customised samples as per client requirements.
- Developed two new UK clients and received an order for 3,00,000 mtrs.
- Added two more reputed domestic clients – Spykar and Belmonte – catering to the niche textile segments.
- Added one more buying house for the new segment (Next Impulse) to leverage the expanding ladies wear segment.
- Developed various furnishing fabrics, upholstery fabrics, curtain fabrics and carpets.
- Introduced customised stitch cut pieces and small metre lengths for the semi-urban and rural markets.

### **Operational performance 2008-09**

During 2008-09, the Indian textile industry was adversely impacted for various reasons:

- In the first half of 2008-09, the appreciating rupee significantly dampened profitability on fabric and garment exports.
- In the second half of 2008-09, the global economic crisis with its epicentre in the developed economies of the US and EU led to a considerable demand destruction.

The flexibility in the business model enabled it to avoid adversity. In the first half, the focus was skewed towards the domestic market, which was shifted to the global arena with the depreciation of the rupee in the second half. For the full year, export accounted for 5.72% of the total sales of textile as against 6.15% in 2007-08.

Despite this, the textile division grew 6.46% – from

Rs. 351.67 crore in 2007-08 to Rs. 374.42 crore in 2008-09. Average realisation increased 4.42 % from Rs. 129.43 per mtr in 2007-08 to Rs. 135.14 per mtr in 2008-09, reflecting enhanced focus on value-added varieties. As opposed to the conventional practice, the Company sourced more than 95% of its cotton requirement from the domestic market – resulting in sizeable saving for the division.

### **Road ahead**

Going ahead, the Company has drawn out a strategic blueprint for sustaining its growth and growing profitability over the coming years:

- Commission the expansion project to increase the fabric manufacturing capacity to 29 mn mtrs.
- Establish a strong presence in the high-value technical textiles and furnishing segments.
- Strengthen its presence in the semi-urban and rural markets through its ready-to-stitch packages.
- Establish a stronger presence in new geographies namely Australia, South Africa and Germany. As a first step in this direction, the Company is in the process of tying up with an Australian buyer-cum-designer to market the Company's products in the attractive Australian market.

### **Risk and concerns**

At the core of the Company's risk-mitigating initiatives, there is a comprehensive and integrated risk management framework, which comprises prudent norms, structured reporting and control. The risk management approach conforms to the Company's strategic direction, in line with shareholders' desired total returns, the Company's credit-ratings and its desired risk appetite.

### **Human resources**

Sintex encourages a continuous learning environment, promoting meritocracy. During the year under review, the Company's employee strength touched 3,427 people. The Company was actively engaged in imparting functional and attitudinal training to employees for maximum productivity; other initiatives comprised a regularised recruitment process as well as a fair and unbiased performance appraisal system with an inbuilt feedback system. During the year under review, the Company created a compensation structure that provided members with tangible and intangible benefits.

### **Internal controls and procedures**

At Sintex, stringent internal control systems and procedures checked the unauthorised use of products, ensuring optimal resource utilisation. The Company conducted regular and extensive checks at every stage of its production and dispatch cycle to ensure strict operational and quality compliance. An Audit Committee, headed by a Non-Executive Independent Director, periodically reviewed audit observations.

# Corporate Governance Report

## Compliance with Corporate Governance guidelines

### Company's philosophy

Sintex Industries Limited has always practiced Corporate Governance of high standard over the last few years. The Company's policy on Corporate Governance is to make it a way of life by, inter-alia, adopting superior Corporate Governance practices through continuous improvement of internal systems and satisfaction of employees, customers, stakeholders and society.

Corporate Governance aims at fairness, transparency, accountability and responsibility in the Company's functioning with the ultimate objective of realising and enhancing shareholders' values. The Company's philosophy on the Code of Corporate Governance is at tuned to these aspects and to the philosophy of the Sintex Group, which are

- i. To ensure that adequate control systems exist to enable the Board of Directors (Board) to effectively discharge its responsibilities to all the stakeholders of the Company
- ii. To ensure that the decision-making process is fair and transparent
- iii. To ensure the fullest commitment of the management and the Board for the maximisation of shareholder value
- iv. To ensure that the Company's employees subscribe to the corporate values and apply them in their conduct
- v. To ensure that the Company follows globally recognised corporate governance practices

### 1. Board of Directors

#### • Composition

The Board of the Company has an optimum combination of Executive Directors and Non-Executive Directors. The Non-Executive Directors include independent professionals.

The Board comprises of the Chairman, the Vice Chairman, three Managing Directors and six Non-Executive Independent Directors. Out of the total strength of 11 Directors, six Directors are independent.

Independent Directors are those who apart from receiving sitting fee do not have any material pecuniary relationship or transaction with the Company or other categories of person specified under the regulations.

#### • Meeting and attendance

##### Details of Board Meetings during the financial year

During the year under review, four Board meetings were held, one each on April 30, 2008, July 10, 2008, October 10, 2008 and January 10, 2009.

Sl. No.	Date	Board strength	Number of Directors present
1	April 30, 2008	11	10
2	July 10, 2008	11	10
3	October 10, 2008	11	9
4	January 10, 2009	11	7

The details of the Directors with regard to the outside directorships and committee positions as well as attendance at Board Meetings/Annual General Meeting (AGM) are as follows:

Sl. No.	Director	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM	No. of Directorships in other public companies	No. of committee positions held in other public companies	
						Chairman	Member
1.	Dinesh B. Patel*#	Chairman	4	Yes	1	—	—
2.	Arun P. Patel *#	Vice Chairman	2	Yes	1	2	—
3.	Ramnikbhai H. Ambani	I and N.E.D.	4	No	2	1	—
4.	Ashwin Lalbhai Shah	I and N.E.D.	4	Yes	1	—	—
5.	Rooshikumar V. Pandya	I and N.E.D.	4	Yes	3	—	2
6.	Indira J. Parikh	I and N.E.D.	1	No	4	—	—
7.	Dr. Rajesh B. Parikh	I and N.E.D.	4	No	—	—	—
8.	Dr. Lavkumar Kantilal	I and N.E.D.	4	No	—	—	—
9.	Rahul A. Patel* #	M.D.	3	No	—	—	—
10.	Amit D. Patel *#	M.D.	2	No	2	—	—
11.	S. B. Dangayach#	M.D.	4	Yes	1	—	—

# Executive

\* Promoters

M.D. = Managing Director,

I and N.E.D. = Independent and Non-Executive Director

## 2. Code of Conduct

The Company formulated and implemented a Code of Conduct for Board members and senior management personnel of the Company, which is also posted on the website of the Company.

Requisite annual affirmations of compliance with the respective codes were made by the Directors and senior management of the Company.

### Declaration by CEO

Shri Amit D. Patel, the Managing Director of the Company do confirm and declare that the Company obtained affirmation from all the members of the Board and senior management that they have complied with the "Code of Conduct" for Board Members and senior management of Sintex Industries Limited for the year ended on March 31, 2009.

## 3. CEO/CFO certification

A certificate from the CEO/CFO/Managing Director about the correctness of the annual financial statements, among others, was placed before the Board.

## 4. Audit Committee

- Composition, meeting and attendance during the year

The first and foremost objective of the Audit Committee is to translate the Company's overall objectives and the associated responsibilities into an action plan. It acts as a link between the management, the statutory and internal auditors and the Board of Directors and oversees the financial reporting process. During the year under review, the Audit Committee met four times on April 30, 2008, July 10, 2008, October 10, 2008 and January 10,

2009 to deliberate on various matters. The details of composition and attendance by the committee members are as follows:

Name of Audit Committee member	Chairman/ Member	Category	No. of meetings attended
Ashwin Lalbhai Shah	Chairman	I and N.E.D.	4
Rooshikumar V. Pandya	Member	I and N.E.D.	4
Dr. Rajesh B. Parikh	Member	I and N.E.D.	4
Amit D. Patel	Member	M.D.	2

The Company Secretary acts as a secretary to the committee.

The composition of the Audit Committee meets the stipulated minimum requirement of Independent Directors. The Audit Committee also invites at its meetings, senior executives including CFO and Company Secretary, President (F&A plastics), General Manager (F&A Textile), statutory and internal auditors. The quorum shall be either two members or one third of the members of the Audit Committee whichever is higher with a minimum of two Independent Directors.

**• Terms of reference**

The constitution of the Audit Committee meets all the requirements of Section 292A of the Companies Act, 1956 as well as the amended Clause 49 of the Listing Agreement. The Board of Directors approved the following terms of reference for the Audit Committee

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible.
- b) Recommending the appointment and removal of external auditor, fixation of audit fee and approval for payment for any other services.
- c) Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on
- Matters required to be included in the Director's responsibility statement for inclusion into the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956

- Any changes in accounting policies and practices
- Major accounting entries based on exercise of judgment by management
- Qualifications in draft audit report
- Significant adjustments arising out of audit
- The going concern assumption
- Compliance with accounting standards
- Compliance with stock exchange and legal requirements concerning financial statements
- Any related party transactions i.e. material transactions of the Company with Promoters or the management, their subsidiaries or relatives, which may have potential conflict with the interests of the Company at large
  - d) Reviewing, with the management, the quarterly financial statement before submission to the Board for approval
  - e) Reviewing, with the management, performance of external and internal auditors and the adequacy of internal control systems
  - f) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing, seniority of the official heading the department, reporting structure, coverage and frequency of internal audit
  - g) Reviewing with management, management discussion and analysis of financial condition and results of operation
  - h) Discussions with internal auditors of any significant findings and follow up thereon
  - i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is a suspected fraud, irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
  - j) Discussions with external auditors, before the audit commences, about the nature and scope of the audit as well as post-audit discussions to ascertain any area of concern

- k) Reviewing the Company's financial and risk management policies
- l) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors

## 5. Remuneration Committee

- **Composition, meeting and attendance during the year**

During the financial year ended on March 31, 2009, the Remuneration Committee met twice on April 30, 2008 and July 10, 2008.

Name of Remuneration Committee member	Chairman/ Member	Category	No. of meetings attended
Ashwin Lalbhai Shah	Chairman	I & N.E.D.	2
Ramnikhai H. Ambani	Member	I & N.E.D.	2
Rooshikumar V. Pandya	Member	I & N.E.D.	2

The Company Secretary acts as the Secretary to the Committee.

- **Terms of reference**

The Company constituted the Remuneration Committee on January 24, 2002. The broad terms of reference of the Remuneration Committee are as follows:

- a) To determine and recommend to the Board, the remuneration packages of the Chairman, the Vice Chairman and the Managing Directors

Details of remuneration paid to the Chairman, the Vice Chairman and the Managing Directors are as given below:

(Amount in Rs.)

Name of the Director	Salary	Perquisites	Commission	Total
Dinesh B. Patel	26,40,000	26,27,177	80,00,000	1,32,67,177
Arun P. Patel	26,40,000	26,20,371	80,00,000	1,32,60,371
Rahul A. Patel	32,29,032	31,35,953	80,00,000	1,43,64,985
Amit D. Patel	32,29,032	31,35,953	80,00,000	1,43,64,985
S.B. Dangayach	32,34,000	35,10,480	50,00,000	1,17,44,480

- ii) The Company granted 10,000 stock options on November 30, 2007 to Shri S. B. Dangayach, the Executive Director of the Company.

The Chairman Shri Dinesh Patel, Vice Chairman Shri Arun Patel and Managing Directors Shri Rahul Patel and Shri Amit Patel being the promoters of the Company were not granted any stock options in compliance with the SEBI guidelines.

- b) To determine and advise the Board for the payment of annual commission/compensation to the Non-Executive Director

- c) To appraise the performance of the Managing Directors

The remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis.

- **Remuneration of Directors**

- i) The Company pays remuneration to its Chairman, Vice Chairman and Managing Directors by way of salary, perquisites and allowances (a fixed component) and commission (a variable component). Salary is paid within the range approved by the shareholders. The Board, on the recommendations of the Remuneration Committee, approves the annual increments. The Board fixes a ceiling on perquisites and allowances as a percentage of salary. Within the prescribed ceiling, the perquisite package is recommended by the Remuneration Committee. Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Remuneration Committee, subject to the overall ceiling as stipulated in Section 198 and 309 of the Companies Act, 1956.

Non-Executive Directors are entitled to sitting fee for attending meetings of the Board and/or committee thereof, the limits for which have been approved by the Remuneration Committee. The sitting fees is currently Rs. 10,000 for each meeting of the Board and/or committee thereof. No other payments are made to Non-Executive Directors as remuneration. The details of sitting fee paid to the Non-Executive

Directors during the financial year ending on March 31, 2009 are as follows:

Name of the Director	Sitting fees (Rs.)
Ramnikbhai H. Ambani	60,000
Ashwin Lalbhai Shah	1,40,000
Rooshikumar V. Pandya	1,10,000
Indira J. Parikh	10,000
Dr. Rajesh B. Parikh	90,000
Dr. Lavkumar Kantilal	40,000

- **Service contract, severance fee and notice period**

The appointments of the Chairman, the Vice Chairman and the Managing Directors are governed by the Articles of Association of the Company and the resolution passed by the Board of Directors and the shareholders of the Company.

No separate service contract was entered into by the Company with the Chairman, the Vice Chairman and the Managing Directors, with those elevated to the Board from the management cadres, who already have a prior service contract with the Company.

There is no separate provision for payment of severance fee under the resolutions governing the appointment of the Chairman, the Vice Chairman and the Managing Directors.

- Perquisites include house rent allowance; leave travel allowance, gas and electricity, medical and premium for personal accident insurance, contribution to provident fund, superannuation fund and gratuity.
- The appointment of the Chairman, the Vice Chairman and the Managing Directors is for a period of five years.
- Number of shares held by Non-Executive Directors
- All Non-Executive Directors disclosed their shareholding in the Company.

Details of shareholding of Non-Executive Directors are as follows:

Director	Number of equity shares held on March 31, 2009
Ramnikbhai H. Ambani	Nil
Dr. Rajesh B. Parikh	Nil
Rooshikumar V. Pandya	Nil
Ashwin Lalbhai Shah	Nil
Dr. Lavkumar Kantilal	Nil
Indira J. Parikh	Nil

## 6. Shareholders'/Investors' Grievance Committee

The Company has a Shareholders'/Investors' Grievance Committee at the Board level to look into various issues relating to shareholders' including non-receipt of dividend, Annual Report, shares after transfers and delays in transfer of shares. The Committee also looks into other issues including status of system and procedures followed to track investor complaints and suggest measures for improvement from time to time.

- **Composition, meeting and attendance during the year**

The Shareholders'/Investors' Grievance Committee met four times during the year on April 30, 2008, July 10, 2008, October 10, 2008 and January 10, 2009.

Name of Shareholders'/Investors' Grievance Committee member	Chairman/ member	Category	No. of meetings attended
Ashwin Lalbhai Shah	Chairman	I & N.E.D.	4
Rahul A. Patel	Member	M.D.	3
Amit D. Patel	Member	M.D.	2

### Details of shareholders' complaints received

During the year ended March 31, 2009, the Company received 24 complaints in the nature of non-receipt of share certificates, dividend warrants, Annual Report and demat credit, among others, yet there are no complaints outstanding as on March 31, 2009. Normally, all complaints are disposed of within 30 days. As on March 31, 2009 no shares transfer request is pending.

- **Investors' grievance redressal cell**

The Company designated L.M. Rathod, CFO & Company Secretary as the compliance officer of the investors' grievance redressal cell. For the purpose of registering complaints by investors, the Company designated an e-mail ID – share@sintex.co.in

## 7. Share and Debentures Transfer Committee

The Company has a Share and Debentures Transfer Committee since August 8, 1981 at the Board level to look into various issues relating to shareholders/investors including transfer and transmission of shares. Moreover, the committee looks into other issues including status of dematerialisation/rematerialisation of shares and debentures.

The committee comprises two members, Dinesh B. Patel, the Chairman of the committee and Arun P. Patel, the other member of the committee. The quorum for a committee meeting is one member. L.M. Rathod, CFO &

Company Secretary acts as the secretary of the committee.

The Board of Directors delegated the power of approving the transfer of shares/ debentures to the above Directors and the CFO & Company Secretary. The Board designated L. M. Rathod, CFO and Company Secretary, as the Compliance Officer, who is primarily responsible for coordinating with M/s. Pinnacle Share Registry Pvt. Ltd. and the Registrar and Transfer Agents of the Company in order to ensure the process of share transfer is streamlined.

The committee meets twice a month to approve the transfer of shares and debentures. The committee also approves the share certificates submitted for dematerialisation. During the year, 24 such meetings were held.

#### 8. General body meetings

The details of last three Annual General Meetings are given as follows:

Financial year (ended)	Date	Time	Venue
March 31, 2006	July 6, 2006	10.30 am	Registered office Near Seven Garnala, Kalol (N.G.) 382721
March 31, 2007	July 12, 2007	10.30 am	Registered office Near Seven Garnala, Kalol (N.G.) 382721
March 31, 2008	September 15, 2008	10.30 am	Registered office Near Seven Garnala, Kalol (N.G.) 382721

All the resolutions including special resolutions set out in the respective notices were passed unanimously by the shareholders. There were four special resolutions passed by the Company in the previous three Annual General Meetings. There were no resolutions put through postal ballot last year. There is no business at the ensuing Annual General Meeting requiring implementation of the postal ballot, under the applicable rule.

#### 9. Subsidiary monitoring framework

All the subsidiary companies of the Company are managed by the Board; the Board has the right and obligation to manage such companies for the best interest of their stakeholders and even monitors the performance of such companies, *inter alia*, by the following means:

- Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company
- All minutes of the meetings of subsidiary companies are placed before the Company's Board regularly
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board

The Company has no material non-listed Indian subsidiary company and therefore, the requirement of inducting an Independent Director on the Board of Directors of the subsidiary company does not arise.

#### 10. Disclosure

- Disclosure on materially significant related party transactions:

The required statements/disclosures with respect to the related party transactions, are placed before the Audit Committee, on a quarterly basis in terms of Clause 49(IV)(A) and other applicable laws for approval.

The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on consideration of various business exigencies such as synergy in operations, sectoral specialization, liquidity and capital resource of subsidiary and associates.

Further, for the financial year ended March 31, 2009 there were no material individual transactions with related parties or others, which were not an arms' length basis.

The related party transactions have been disclosed under Note 18 of Schedule 20 forming part of the annual accounts.

- Disclosure of Accounting Treatment:

Our Company has complied with all applicable accounting standards. However, in compliance with the Scheme of Arrangement (the "Scheme") between the Company and its equity shareholders approved by the Hon'ble High Court of Gujarat under section 391 of the Companies Act, 1956, the Company has earmarked Rs. 200 crore from Securities Premium Reserve to International Business Development Reserve ("IBDR"). As per the Scheme, the Company has adjusted against the earmarked balance of IBDR an amount of Rs. 130.73 crore being such specified expenses of the nature of cost of investments, professional fees, legal fees, finance charges, due diligence expenses and other such expenses incurred in

respect of acquisition of a target overseas company by corresponding adjustment to the cost of investments in the related subsidiary company. The said accounting treatment has been followed as prescribed under the Scheme and it has no impact on the profit for the year, as per the Scheme.

- The Company has a comprehensive and integrated risk management framework to effectively deal with uncertainty and associated risks and enhance the organisation's capacity to build value. The risk management framework of the Company has been designed with an objective to develop a risk culture that encourages the practice of identifying risks and responding to them with appropriate actions.
- During the last three years, there were no strictures or penalties by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

## 11. Means of communication

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance.

Towards this end:

- The quarterly results of the Company are announced within a month of completion of the quarter. Audited annual result along with the result for the fourth quarter is generally announced within a period of 45 days of completion of the financial year. These results are published, *inter alia*, in *The Economics Times* (Ahmedabad, Mumbai, New Delhi, Kolkata, Bangalore, Chennai, Hyderabad, Pune, Chandigarh & Lucknow), *The Financial Express* (Gujarati) Ahmedabad, *The Financial Express* (English) Ahmedabad and Mumbai.
- All quarterly results are also posted on our website – [www.sintex.in](http://www.sintex.in)
- All the results, including the entire Report and Accounts, information relating to shareholding pattern and compliance with Corporate Governance norms, among others, were posted on SEBI's Electronic Data Information Filing and Retrieval system (EDIFAR) website – [www.sebiedifar.nic.in](http://www.sebiedifar.nic.in)
- Quarterly results are taken on record by the Board of Directors and submitted to the stock exchanges in terms of the requirement of Clause 41 of the Listing Agreement.

- Corporate presentations made to institutional investors or to analysts are posted on the Company's website - [www.sintex.in](http://www.sintex.in)
- The management discussion and analysis report is attached to the Directors' Report in this Annual Report.

## 12. General shareholding information:

## I Annual General Meeting

## II Financial calendar (tentative)

First quarter results	: July, 2009 (2nd week)
Half-yearly results	: October, 2009 (2nd week)
Third quarter results	: January, 2010 (2nd week)
Annual results	: May, 2010 (2nd week)

### III Dates of book closure

October 12, 2009 (both days inclusive)

#### IV Dividend payment date

## ✓ ORGANIZED ENVIRONMENTS

unclaimed dividends which remained unclaimed up to the financial year ended March 31, 2001 to the Investors Education and Protection Fund (IEPF), established by the Central Government pursuant to Section 205C of the Companies Act. Dividends which remain unclaimed for a period of seven years from the financial year ended March 31, 2002 will be transferred by the Company to the aforesaid fund, as and when it falls due. It may again be noted that once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

VI Listing details:

Stock Exchanges / Stock Code	Address	Telephone No.
Ahmedabad Stock Exchange Limited *Equity – 08910	Kamdhenu Complex, Panjra Pole, Opp. Sahajanand College, Ambawadi, Ahmedabad – 380 015	079 - 2630 7971 / 2 / 3
Bombay Stock Exchange Limited *Equity – 502742	Floor 1, P.J. Towers, Dalal Street, Fort, Mumbai – 400 001	022 - 2272 1233 / 34
National Stock Exchange of India Limited *Equity – Sintex EQ	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	022 - 2659 8100 / 6641 8100
Singapore Exchange Securities Trading Limited Foreign Currency Convertible Bonds (FCCB) *FCCB - XS0349182369	2 Shenton Way # 19 – 00 SGX Center 1 Singapore 068804	0065 - 6236 8888
Bombay Stock Exchange Limited Secured Redeemable Non- Convertible Debentures (NCD's) *NCDs – 946041	Floor 1, P.J. Towers, Dalal Street, Mumbai – 400 001	022 - 2272 1233 / 34

\* Stock code of

VII Location of the depositories

Depository	Address	Telephone no.
National Securities Depository Limited	Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013	022 - 2499 4200 / 2497 6351
Central Depository Services (India) Limited	Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai – 400 001	022 - 2272 3333

VIII Listing fees for the year 2009-10 have been paid.

IX Stock data : Table 1 and 2, respectively give the monthly high and low prices and volumes of equity shares of Sintex Industries Limited at the Bombay Stock Exchange Limited and the National Stock Exchange Limited for the year ended March 31, 2009.

Table 1: Monthly share price data and volumes, BSE

Month	High (Rs.)	Low (Rs.)	Volume (Nos)	Month	High (Rs.)	Low (Rs.)	Volume (Nos)
April 2008	477.00	335.00	23,83,449	October 2008	286.15	137.15	28,02,338
May 2008	518.90	371.05	13,79,098	November 2008	223.85	150.00	35,53,595
June 2008	435.00	297.00	13,51,654	December 2008	211.90	154.50	29,64,865
July 2008	347.40	271.10	15,98,861	January 2009	210.00	122.90	23,95,365
August 2008	386.00	290.00	9,93,507	February 2009	141.90	86.80	87,22,576
September 2008	337.50	240.00	19,33,677	March 2009	105.10	70.30	1,05,43,874

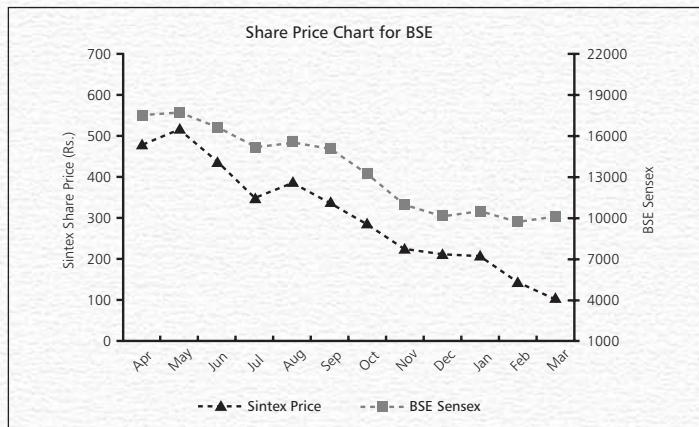
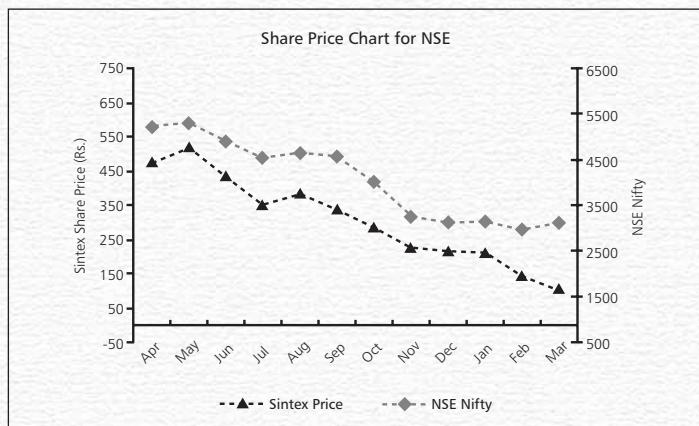


Table 2: Monthly share price data and volume, NSE

Month	High (Rs.)	Low (Rs.)	Volume (Nos)	Month	High (Rs.)	Low (Rs.)	Volume (Nos)
April 2008	474.00	333.10	41,97,143	October 2008	287.00	136.25	32,70,739
May 2008	519.00	371.10	26,29,743	November 2008	225.00	145.10	65,82,179
June 2008	435.00	295.40	33,19,360	December 2008	213.80	154.20	48,40,148
July 2008	348.95	272.60	48,59,313	January 2009	211.00	122.10	75,92,739
August 2008	385.15	290.15	40,56,961	February 2009	142.00	86.55	2,11,33,873
September 2008	338.00	241.00	64,56,010	March 2009	105.70	70.20	2,64,52,672



**X Registrar or transfer agents**

The Company has appointed Pinnacle Shares Registry Pvt. Ltd. as the Registrar for demat and physical shares having their registered office at Near Ashoka Mills, Naroda Road, Ahmedabad – 380 025. Phone: 0091 - 79 - 2220 4226 / 2220 0591 / 2220 0582, Fax: 0091 - 79 - 2220 2963. e-mail: investor.service@psrpl.com

**XI Share transfer system** Share transfer requests received in physical form are registered within 15 days from the date of receipt and demat requests are normally confirmed within an average of 15 days from the date of receipt.

**XII Secretarial audit**

- i) Pursuant to Clause 47(c) of the Listing Agreement with the stock exchanges, certificates, on half yearly basis, have been issued by a Company Secretary in practice for due compliance of share transfer formalities by the Company.
- ii) A qualified practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with NSDL, CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).
- iii) Pursuant to SEBI (Depositories and Participants) Regulations 1996, certificates have also been received from a Company Secretary in practice for dematerialisation of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

**XIII Distribution of shareholding as on March 31, 2009:**

Category of number of equity shares held	No. of equity Shares held	% of Shares held	No. of Shareholders	% of Share holders
Upto 2,500	61,05,209	4.47	36,758	98.35
2,501 – 5,000	8,36,417	0.61	232	0.62
5,001 – 10,000	8,76,494	0.64	120	0.32
10,001 – 15,000	4,59,420	0.34	37	0.10
15,001 – 20,000	4,91,341	0.36	27	0.07
20,001 – 25,000	3,46,713	0.26	15	0.04
25,001 – 50,000	12,43,743	0.91	34	0.09
50,001 and above	12,61,36,096	92.41	151	0.41
<b>Total</b>	<b>13,64,95,433</b>	<b>100.00</b>	<b>37,374</b>	<b>100.00</b>

**XIV Categories of shareholders as on March 31, 2009:**

Category	No. of Shares held	% of Shares held	No. of Shareholders	% of Shareholders
Promoters holding	3,97,87,195	29.15	28	0.08
Residential individuals	1,05,87,794	7.76	35,909	96.08
Financial institutions/Banks	6,720	–	8	0.02
Mutual funds	2,49,63,306	18.29	69	0.18
NRIs / OCBs	4,58,494	0.33	495	1.32
FII's	5,00,65,672	36.68	84	0.23
Domestic companies	1,06,26,252	7.79	781	2.09
<b>Total</b>	<b>13,64,95,433</b>	<b>100.00</b>	<b>37,374</b>	<b>100.00</b>

XV Dematerialisation of shares and liquidity :	About 98% of the outstanding shares were dematerialised as on March 31, 2009. Trading in Sintex Industries Limited shares is permitted only in dematerialised form as per notification issued by the Securities and Exchange Board of India. The equity shares of Sintex Industries Limited are actively traded shares on Bombay Stock Exchange Ltd., National Stock Exchange of India Ltd. and the Ahmedabad Stock Exchange Ltd..
XVI Issue of non-convertible: debentures of Rs. 250 crore	On February 18, 2009, the Company issued 11.50% secured redeemable non-convertible debentures aggregating to Rs. 250 crore to LIC of India on a private placement basis for financing capital expenditure on existing operations, general corporate purpose and to meet long-term working capital purpose as well as other expenditures as permitted by the investors.
	The debentures would be redeemable in three annual equal installments at the end of the seventh, eighth and ninth year from the date of allotment.
	CARE assigned AA+ (pronounced double A plus) rating to these debentures. This rating indicates a high degree of safety with regard to timely payment of interest and principal on the instrument.
	The aforesaid debentures are listed on the wholesale debt market of the Bombay Stock Exchange Limited.
XVII Issue of zero coupon foreign currency convertible bonds	In respect of USD 225 million zero coupon foreign currency convertible bonds (FCCBs) raised by the Company on March 12, 2008, during 2008-09, no FCCBs were converted into equity shares. The bondholders are entitled to apply for equity shares at a conversion price of Rs. 580 per share with a fixed rate of exchange on conversion of Rs. 40.53 to USD 1. On full conversion of FCCBs, paid-up capital of the Company will increase by 1,57,22,844 equity shares of Rs. 2 each amounting to Rs. 3.14 crore.
XVIII Outstanding warrants	During the year under review, promoter group companies expressed their unwillingness to exercise the right of 1,05,12,000 warrants to be converted into equity shares of the Company. As per the Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000, the Company forfeited 10% upfront amount of Rs. 47.80 crore received at the time of allotment of warrants.
XIX Plant locations	The Company's plastic plants are located at Kalol (N.G.), Bangalore, Kolkata, Daman, Baddi, Bhachau (Kutch), Nagpur and Salem while its textile plant is located at Kalol (N.G.).
XX Investors correspondence	For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address, non-receipt of dividend and any other query relating to the shares of the Company, please write to:
	<p>Pinnacle Shares Registry Pvt. Ltd.          Unit: Sintex Industries Limited          Near Ashoka Mills,          Naroda Road,          Ahmedabad – 380 025.          Phone : 0091-79-22204226 / 22200591 / 22200582          Fax : 0091-79-22202963.          e-mail: investor.service@psrpl.com</p>
	Shareholders holding shares in electronic mode should address all their correspondence to their respective depository participants.

# Declaration

It is hereby declared that the Company obtained affirmation from all the members of the Board and senior management that they have complied with the "Code of Conduct" for Board Members and senior management of Sintex Industries Limited for the year ended on March 31, 2009.

Place: Ahmedabad

Date : May 9, 2009

Amit D. Patel

*Managing Director*

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# Auditors' Certificate on Corporate Governance

To the Members of  
Sintex Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Sintex Industries Limited, for the year ended on March 31, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells  
*Chartered Accountants*

Place: Ahmedabad  
Date : May 9, 2009

Gaurav J. Shah  
*Partner*  
Membership No. 35701

# Auditor's Report

To the Members of  
Sintex Industries Limited

1. We have audited the attached Balance Sheet of **Sintex Industries Limited** as at March 31, 2009, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our opinion, we draw attention to Note 4 of Schedule 20 to these financial statements, regarding the Scheme of Arrangement (the "Scheme") approved by the Honourable High Court of Gujarat, as per which Scheme, the Company has earmarked Rs. 200 crore from Securities Premium Reserve to International Business Development Reserve Account (the "IBDR") and has adjusted against the earmarked balance of IBDR, Rs. 130.73 crore being expenses of the nature as specified under the Scheme. The said accounting treatment has been followed as prescribed under the Scheme. The relevant Indian Generally Accepted Accounting Principles, in absence of such Scheme, would not permit the adjustment of expenses against the Securities Premium Reserve / IBDR. Had the Company accounted for these expenses as per Generally Accepted Accounting Principles in India, instead of accounting for as per the Scheme, the balance of Securities Premium Reserve / IBDR would have been higher and Profit after tax would have been lower by Rs. 130.73 crore.
4. As required by the Companies (Auditor's Report) Order, 2003 (the "Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. Further to our comments in the Annexure referred to

above, we report that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examinations of those books;
- iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v) on the basis of written representations received from the directors as on March 31, 2009 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Balance Sheet, of the state of the affairs of the Company as at March 31, 2009;
  - b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
  - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Deloitte Haskins & Sells  
Chartered Accountants

Ahmedabad  
Date: May 9, 2009

Gaurav J. Shah  
Partner  
Membership No. 35701

# Annexure to the Auditor's Report

## (Referred to in paragraph 4 of our report of even date)

- i. The nature of the Company's activities during the year have been such that clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company for the year.
- ii.
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased manner over a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed by the management on such verification.
  - c) The Company has not disposed off a substantial part of fixed assets during the year and the going concern status of the Company is not affected.
- iii.
  - a) Physical verification of inventory has been conducted during the year by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c) The Company is maintaining proper records of inventory. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iv. The Company has neither granted nor taken any loans secured/ unsecured to or from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- v. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- vi.
  - a) In our opinion and according to the information and explanations given to us, transactions that needed to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been so entered.
  - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of such parties during the year, have been made at prices, which are reasonable having regard to the prevailing market prices at the relevant time.
- vii. The Company has not accepted deposits from the public within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under.
- viii. Internal audit of the Company is carried out by a firm of Chartered Accountants. On the basis of the reports submitted by them to the management, in our opinion, the Internal Audit System is commensurate with the size of the Company and nature of its business.
- ix. We have broadly reviewed the books of account of the textile division relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that

prima facie the prescribed accounts and records have been made and maintained.

x. According to the information and explanations given to us in respect of statutory and other dues:

- a) The Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Sales-tax, Customs Duty, Excise Duty, Income-tax, Wealth-tax, Service-tax, Cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Sales-tax, Wealth-tax, Service-tax, Customs Duty and Excise Duty were in arrears as at March 31, 2009 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of Sales-tax, Excise Duty, Customs Duty, Income-tax, Wealth-tax, Service-tax, Cess and any other statutory dues which have not been deposited on account of any dispute.

xi. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the financial year under report and the immediately preceding financial year.

xii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

xiii. According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiv. The Company has given guarantees for loans taken by others from banks. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.

xv. According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised other than amount temporarily invested pending utilisation of the funds for the intended use.

xvi. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short term basis have, prima facie, not been used during the year for long term investment.

xvii. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

xviii. According to the information and explanations given to us and as per the records examined by us, securities and charges have been created in respect of secured debentures issued by the Company.

xix. During the year, the Company has not raised any money by public issue.

xx. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells  
Chartered Accountants

(Gaurav J. Shah)

Ahmedabad  
Date: May 9, 2009

Partner

Membership No. 35701

# Balance Sheet As at March 31, 2009

(Rs. in crore)

As at	Schedules	31.03.2009	31.03.2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	27.10	27.10
Convertible Share Warrants		—	47.80
Reserves & Surplus	2	1600.63	1436.75
			1627.73
			1511.65
<b>Loan Funds</b>			
Secured Loans	3	791.99	636.15
Unsecured Loans	4	1146.37	900.78
			1938.36
			130.69
<b>Deferred Tax Liability (Net)</b>			99.45
(Refer Note 16 of Schedule 20)			
<b>Total</b>		<b>3696.78</b>	<b>3148.03</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	1575.11	1079.02
Less: Depreciation		353.82	295.06
Net Block		1221.29	783.96
Capital Work in Progress		197.38	242.68
			1418.67
			637.89
<b>Investment</b>	<b>6</b>		429.77
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	181.15	162.76
Sundry Debtors	8	495.80	476.87
Cash & Bank Balances	9	1099.47	1325.87
Loans & Advances	10	444.73	327.14
			2221.15
			581.10
<b>Less: Current Liabilities &amp; Provisions</b>	<b>11</b>		602.17
<b>Net Current Assets</b>			1640.05
<b>Miscellaneous Expenditure</b>			
(To the extent not written off or adjusted)	12	0.17	1.15
<b>Total</b>		<b>3696.78</b>	<b>3148.03</b>
<b>Significant Accounting Policies</b>	<b>19</b>		
<b>Notes on Accounts</b>	<b>20</b>		

As per our attached  
report of even date

For Deloitte Haskins & Sells  
Chartered Accountants

Gaurav J. Shah  
*Partner*  
Membership No. 35701

Ahmedabad  
Date : May 9, 2009

Rahul A. Patel *Managing Director*  
Amit D. Patel *Managing Director*  
S. B. Dangayach *Managing Director*

Ramnikbhai H. Ambani *Director*  
Ashwin Lalbhai Shah *Director*  
Dr. Rajesh B. Parikh *Director*  
Dr. Lavkumar Kantilal *Director*  
Rooshikumar V. Pandya *Director*  
Indira J. Parikh *Director*

L. M. Rathod  
*Company Secretary*  
Ahmedabad  
Date : May 9, 2009

# Profit and Loss Account

For the year ended March 31, 2009

		(Rs. in crore)	
For the year ended	Schedules	31.03.2009	31.03.2008
<b>INCOME</b>			
Gross Sales		1982.04	1790.29
Less: Excise Duty and Sales Tax		98.63	134.59
Net Sales		1883.41	1655.70
Other Income	13	94.73	44.56
Increase/(Decrease) in Finished and Process Stocks	14	19.92	19.34
		1998.06	1719.60
<b>EXPENDITURE</b>			
Raw Materials Consumed	15	1159.22	1025.08
Employees' Emoluments	16	77.52	63.46
Manufacturing and Other Expenses	17	293.29	242.58
Interest and Finance Charges	18	63.97	56.25
Depreciation and Amortisation		62.40	51.70
		1656.40	1439.07
<b>Profit before Tax</b>		341.66	280.53
Provision for Taxation			
Current Tax		39.62	35.78
Deferred Tax		31.24	27.08
Fringe Benefit Tax		1.70	1.34
		72.56	64.20
		269.10	216.33
Excess/(Short) Provision for Taxation in earlier years (Net)		(2.39)	—
<b>Profit after Tax</b>		266.71	216.33
Balance brought forward from previous year		456.16	280.80
<b>Profit available for Appropriations</b>		722.87	497.13
<b>APPROPRIATIONS</b>			
Proposed Dividend - Equity Shares		15.02	13.65
Tax on Dividend		2.51	2.32
General Reserve		30.00	25.00
Debenture Redemption Reserve		1.17	—
Balance carried to Balance Sheet		674.17	456.16
<b>Total</b>		722.87	497.13
Earnings Per Share (Refer Note 17 of Schedule 20)			
Basic (in Rs.)		19.68	18.35
Diluted (in Rs.)		19.68	18.35
Significant Accounting Policies	19		
Notes on Accounts	20		

As per our attached  
report of even date

Rahul A. Patel      *Managing Director*  
Amit D. Patel      *Managing Director*  
S. B. Dangayach      *Managing Director*

Ramnikbhai H. Ambani      *Director*  
Ashwin Lalbhai Shah      *Director*  
Dr. Rajesh B. Parikh      *Director*  
Dr. Lavkumar Kantilal      *Director*  
Rooshikumar V. Pandya      *Director*  
Indira J. Parikh      *Director*

For Deloitte Haskins & Sells  
Chartered Accountants

Gaurav J. Shah  
*Partner*  
Membership No. 35701

Ahmedabad  
Date : May 9, 2009

L. M. Rathod  
*Company Secretary*  
Ahmedabad  
Date : May 9, 2009

# Cash Flow Statement

For the year ended March 31, 2009

(Rs. in crore)

For the year ended	31.03.2009	31.03.2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	341.66	280.53
<i>Adjustments for :</i>		
Profit on Sale of Fixed Assets & Investments	(19.63)	(13.18)
Unrealised Foreign Exchange (Gain)/Loss (Net)	51.96	8.55
Interest Income	(65.70)	(13.47)
Depreciation	62.40	51.70
Interest and Financial Charges	63.97	56.25
Provision for Doubtful Debts and Advances	0.25	(0.12)
Employees Compensation Expenses	9.27	2.73
Expenses relating to FCCBs / Debenture Issue	(11.64)	–
Miscellaneous Expenditure written off	0.98	0.97
	91.86	93.43
Operating Profit before Working Capital Changes	433.52	373.96
<i>Adjustments for :</i>		
Trade & Other Receivables	(156.06)	(337.99)
Inventories	(18.39)	(17.40)
Trade Payables	26.44	57.35
	(148.00)	(298.04)
Cash Generated from Operations	285.52	75.92
Direct taxes paid (net)	(63.19)	(35.48)
Net Cash from Operating Activities - (A)	222.33	40.44
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(434.62)	(380.02)
Sale of Fixed Assets	1.12	0.74
Investment in Subsidiary and others including		
Share Application Money	(420.74)	(127.91)
Loans given (to)/ received from subsidiaries	26.23	(144.62)
Expenses adjusted in IBDR (Refer note 4 of Schedule 20)	(130.73)	–
Interest Received	65.70	13.47
Net Cash used in Investing Activities - (B)	(893.04)	(638.34)

## Cash Flow Statement (Contd..)

			(Rs. in crore)
	31.03.2009		31.03.2008
<b>For the year ended</b>			
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Borrowings:			
From Term Borrowings	354.91		185.02
From FCCB (net of expenses)	–		885.21
Interest Paid	(78.26)		(80.56)
Repayment of Borrowings	(201.01)		(55.18)
Proceeds from Equity Share Capital/Warrants (including Premium)	–		759.53
Dividend Paid	(15.94)		(12.56)
<b>Net Cash used in Financing Activities - (C)</b>	<b>59.70</b>		<b>1681.46</b>
Net Changes in Cash and Cash Equivalents (A+B+C)	(611.01)		1083.56
Add: Cash and Cash Equivalents-Opening Balance	1657.51		573.95
<b>Cash and Cash Equivalents-Closing Balance</b>	<b>1046.50</b>		<b>1657.51</b>

### Notes:

As at		31.03.2009	31.03.2008
<b>1 Cash and Cash Equivalents include:</b>			
Cash on hand		0.16	0.16
<b>With Scheduled Banks:</b>			
in Current Accounts	60.99	122.28	
in Fixed Deposit (Out of above Rs. 157.44 crore under lien to bank)	1028.32	1194.68	
	1089.31		1316.96
<b>With Non Scheduled Banks:</b>			
in Current Accounts	10.00		8.75
Short Term Investments	144.51		322.13
Cash and Cash Equivalents	1243.98		1648.00
Effect of Foreign Exchange Rate Changes	(197.48)		9.51
<b>Cash and Cash equivalents as restated</b>	<b>1046.50</b>		<b>1657.51</b>

2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

3 The previous year's figures have been regrouped wherever necessary to make them comparable with this year's figures.

As per our attached report of even date	Rahul A. Patel	Managing Director	Ramnikbhai H. Ambani	Director
	Amit D. Patel	Managing Director	Ashwin Lalbhai Shah	Director
	S. B. Dangayach	Managing Director	Dr. Rajesh B. Parikh	Director
For Deloitte Haskins & Sells Chartered Accountants			Dr. Lavkumar Kantilal	Director
			Rooshikumar V. Pandya	Director
			Indira J. Parikh	Director

Gaurav J. Shah  
Partner  
Membership No. 35701

Ahmedabad  
Date : May 9, 2009

L. M. Rathod  
Company Secretary  
Ahmedabad  
Date : May 9, 2009

# Schedules forming part of the Balance Sheet

(Rs. in crore)

As at	31.03.2009	31.03.2008
<b>Schedule - 1   SHARE CAPITAL</b>		
<b>Authorised</b>		
25,00,00,000 (previous year 25,00,00,000) Equity Shares of Rs. 2/- each	50.00	50.00
15,00,000 (previous year 15,00,000) Preference Shares of Rs. 100/- each	15.00	15.00
<b>Total</b>	<b>65.00</b>	<b>65.00</b>
<b>Issued</b>		
13,65,11,333 (previous year 13,65,11,333) Equity Shares of Rs. 2/- each	27.30	27.30
<b>Total</b>	<b>27.30</b>	<b>27.30</b>
<b>Subscribed &amp; Paid Up</b>		
13,64,95,433 (previous year 13,64,95,433) Equity Shares of Rs. 2/- each	27.30	27.30
Less: Amount recoverable from ESOP Trust (face value of Equity Shares allotted to the Trust)	0.20	0.20
<b>Total</b>	<b>27.10</b>	<b>27.10</b>

Notes:

Of the above Shares:

- i) 1,25,000 equity shares were issued as fully paid-up pursuant to contract without payment being received in cash.
- ii) 74,55,650 equity shares were allotted as fully paid-up Bonus Shares by capitalising General Reserve, Securities Premium Reserve and Capital Reserve.
- iii) 40,16,370 equity shares were allotted on April 15, 1993 as fully paid-up pursuant to conversion of 16.5% Partly Convertible Debentures.

<b>Schedule - 2   RESERVES AND SURPLUS</b>			
<b>Capital Reserve</b>			
Balance as per last Balance Sheet	—	—	—
Add : Forfeiture of upfront amount of Convertible Share Warrants	47.80	47.80	—
(Refer Note 5 of Schedule 20)			
<b>Securities Premium Reserve</b>			
Balance as per last Balance Sheet	885.12	280.14	
Add: On shares issued upon exercise of conversion			
of Warrants, under QIP issue and conversion of FCCBs	—	896.11	
Add: On shares issued to ESOP Trust	36.01	36.01	
Less: Expenses relating to FCCBs/Debenture issue	11.64	27.96	
Less: Premium on redemption of outstanding FCCBs	—	263.17	
Less: Amount recoverable from ESOP Trust (Premium on			
equity shares allotted to the Trust)	36.01	36.01	
Less: Transferred during the year to International Business Development Reserves			
Account (IBDR) (Refer Note 4 of Schedule 20)	200.00	673.48	885.12
<b>Capital Redemption Reserve</b>			
Balance as per last Balance Sheet		15.05	15.05
<b>Debenture Redemption Reserve</b>			
Balance as per last Balance Sheet	1.32	2.07	
Add: Transferred from Profit and Loss Account	1.17	—	
Less :Transferred to General Reserve	0.75	0.75	
		1.74	1.32
<b>International Business Development Reserve Account ("IBDR")</b>			
(Refer Note 4 of Schedule 20)			
Transferred during the year from Securities Premium Reserve	200.00	—	—
Less : Adjusted against investment in a subsidiary	130.73	69.27	—
<b>General Reserve</b>			
Balance as per last Balance Sheet	76.37	50.62	
Add : Transferred from Debenture Redemption Reserve	0.75	0.75	
Add: Transferred from the Profit and Loss Account	30.00	25.00	
		107.12	76.37
<b>Employees Stock Option Outstanding</b>			
Balance as per last Balance Sheet	2.73	—	
Add: Amortisation during the year for Employee Compensation Expenses	9.27	2.73	
		12.00	2.73
<b>Balance of the Profit and Loss Account</b>			
<b>Total</b>	<b>1600.63</b>	<b>456.16</b>	<b>1436.75</b>

# Schedules forming part of the Balance Sheet

(Rs. in crore)

As at	Note	31.03.2009	31.03.2008
<b>Schedule - 3 SECURED LOANS</b>			
A. Debentures	1 & 2	252.25	5.25
B. From Banks:			
a) Cash Credit Accounts	3	53.51	179.98
In Rupees			
b) Term Loans	4	466.81	421.34
In Rupees			
C. From Financial Institutions			
Term Loans	4		
a) In Rupees		12.86	19.28
b) In Foreign Currency		6.56	10.30
<b>Total</b>		<b>791.99</b>	<b>636.15</b>

**Notes:**

- 2500 (Previous year Nil) - 11.5% Secured Redeemable Non Convertible Debentures of Rs. 10,00,000/- each, issued to Life Insurance Corporation of India are redeemable at par in three equal annual installment starting from February 18, 2016. The Debentures are secured by first mortgage charge on all the moveable & immovable assets, both present & future, of the Company located at Kalol, Bangalore, Kolkata and Daman on pari passu basis.
- 225 (previous year 525) - 11.5% Secured Redeemable Non Convertible Debentures of Rs. 1,00,000/- each, issued to Infrastructure Leasing and Financial Services Limited are redeemable at par in twenty four quarterly installments starting from April 1, 2004. During the year, the Company has redeemed 300 (previous year 300) Debentures aggregating to Rs. 3.00 crore (previous year Rs. 3.00 crore). The Debentures are secured by first mortgage charge over the fixed assets of the Company on pari passu basis.
- Secured by first charge on the stocks and book debts and by a second charge over the immovable and other movable properties of the Company, both present and future.
- Secured by equitable mortgage charge /hypothecation on all the immovable/movable properties of the Company, both present and future, except on specified current assets and book debts on which prior charge created/to be created in favour of the Banks for working capital facilities.
- Out of above loans, amount payable within 12 months is Rs. 71.97 crore (previous year Rs. 80.49 crore).

<b>Schedule - 4 UNSECURED LOANS</b>			
Zero Coupon Foreign Currency Convertible Bonds		1146.37	898.85
From Companies		—	1.93
<b>Total</b>		<b>1146.37</b>	<b>900.78</b>
Note: Out of above loans, amount payable within 12 months is Rs. Nil (previous year Rs. Nil).			

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 01.04.2008	Additions	On Sales / Adjustments	As at 31.03.2009	Upto 01.04.2008	For the Year	On Sales / Adjustments	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
1	2	3	4	5	6	7	8	9	10	11
<b>Tangible Assets</b>										
Land	20.92	3.59	—	24.51	—	—	—	—	24.51	20.92
Building	94.56	8.02	—	102.58	12.90	3.11	—	16.01	86.57	81.66
Plant & Machinery	931.58	484.54	3.42	1412.70	266.24	55.41	2.92	318.73	1093.97	665.34
Furniture, Fixture & Office equipments	11.71	2.14	—	13.85	6.27	1.04	—	7.31	6.54	5.44
Vehicles	12.91	1.18	0.93	13.16	7.31	1.56	0.72	8.15	5.01	5.60
Bore-well	0.80	—	—	0.80	0.36	0.09	—	0.45	0.35	0.44
<b>Total Tangible Assets</b>	<b>1072.48</b>	<b>499.47</b>	<b>4.35</b>	<b>1567.60</b>	<b>293.08</b>	<b>61.21</b>	<b>3.64</b>	<b>350.65</b>	<b>1216.95</b>	<b>779.40</b>
<b>Intangible Assets</b>										
Technical know how	2.22	0.97	—	3.19	1.98	0.33	—	2.31	0.88	0.24
Computer Software	4.32	—	—	4.32	—	0.86	—	0.86	3.46	4.32
<b>Total Intangible Assets</b>	<b>6.54</b>	<b>0.97</b>	<b>—</b>	<b>7.51</b>	<b>1.98</b>	<b>1.19</b>	<b>—</b>	<b>3.17</b>	<b>4.34</b>	<b>4.56</b>
<b>Total Fixed Assets</b>	<b>1079.02</b>	<b>500.44</b>	<b>4.35</b>	<b>1575.11</b>	<b>295.06</b>	<b>62.40</b>	<b>3.64</b>	<b>353.82</b>	<b>1221.29</b>	<b>783.96</b>
Previous year	881.85	200.29	3.12	1079.02	246.42	51.70	3.06	295.06	783.96	
Capital work in progress									197.38	242.68

Note: 1) Cost of land includes Rs. 0.07 crore for land held in a co-operative society at Daman. The Company holds 3 Shares of aggregate face value of Rs. 3000/- in the co-operative society as per the bye-laws of the society.

2) Additions to fixed assets include capitalisation of borrowing cost pertaining to qualifying assets of Rs. 20.51 crore (previous year Rs. 24.17 crore).

# Schedules forming part of the Balance Sheet

(Rs. in crore)

	Face Value Rs.	As at 31.03.2009		As at 31.03.2008	
		Nos./Units	Amount	Nos./Units	Amount
<b>Schedule - 6 INVESTMENTS (AT COST)</b>					
i) Long Term Investments					
Non-Trade, Quoted					
In Equity Shares (Fully paid up)					
Equity Shares					
Dena Bank	10	30200	0.09	30200	0.09
Trade, Unquoted					
In Equity Shares (Fully paid up)					
Investment in Subsidiary					
In subsidiary companies					
Zepppelin Mobile Systems India Ltd.	10	443940	18.00	443940	18.00
Sintex Holdings B.V. Netherland	EURO 1	71029793	363.60	6400000	36.55
Bright AutoPlast Pvt. Ltd.	10	5000000	50.00	0.00	0.00
In others :					
Sintex International Ltd.	10	900000	3.00	900000	3.00
BVM Finance Pvt. Ltd.	10	1738000	8.69	0.00	0.00
In Preference Shares (Fully paid up)					
In subsidiary company					
Bright AutoPlast Pvt. Ltd.	100	5000000	50.00	5000000	50.00
ii) Current Investments					
Non-Trade, Unquoted					
Mutual Funds					
ABN Amro Intrval Fund	10	-	-	9881786	10.09
AIG India Treasury Plus	10	-	-	10310705	10.32
AIG Short Term Fund Insti. Growth	1000	-	-	250274	25.06
Birla Sunlife liquid Plus Insti. Growth	10	-	-	19867176	30.08
DBS Chola freedom income STP	10	-	-	229137	0.25
DWS Money Plus Fund Growth	10	-	-	17986371	20.08
HDFC FMP 90 D (Jan.,08)	10	-	-	10214400	10.21
HDFC Short Term Plan	10	-	-	3655559	5.15
ICICI Prudential Flexible Income	10	-	-	23658747	25.02
ICICI Prudential Flexible Income Growth	10	-	-	16865454	25.00
ICICI Prudential interval Fund II Qrtly.	10	-	-	10000000	10.00
ING Liquid Plus Fund Insti. Growth	10	-	-	18588368	20.03
ING Vyasa F.M. Fund Sr. 22	10	-	-	20650776	20.65
Kotak Flexi Debt Scheme Growth	10	-	-	19915875	25.00
Principal Income Fund	1000	-	-	1151298	0.00
Principal Liquid Plus Fund Growth	10	-	-	19547802	20.08
Reliance Monthly Interval Fund	10	-	-	25005139	25.02
SBI Debt Fund 30D Growth	10	-	-	10059608	10.06
Templeton Short Term Plan	1000	-	-	86043	10.00
UTI Liquid Plus Fund Insti. Growth	1000	-	-	186541	20.03
Birla Sunlife Short Term Fund Growth	10	6183427	6.26	-	-
Birla Sunlife Short Term Fund-Retail-Growth	10	605784	0.94	-	-
DWS Fixed Term Fund Series 49 Regular Growth	10	20327837	20.33	-	-
ICICI Prudential flexible Income Growth	10	18553739	30.05	-	-
Kotak Flexi Debt Scheme Institutional Growth	10	15717269	16.71	-	-
Reliance Medium Term Fund Growth	10	5613982	10.14	-	-
SBI SHF Ultra Short Term Fund Institutional Plan	10	8730117	10.00	-	-
UTI Treasury Advantage Fund-Institutional Plan	1100	171715	20.08	-	-
DSP Black Rock Fund Managers Limited- PMS	1000000	300	30.00	-	-
<b>TOTAL</b>			<b>637.89</b>		<b>429.77</b>
Quoted Investments		Cost	0.09		0.09
		Market Value	0.10		0.15
Unquoted Investments		Cost	493.29		107.55
Mutual funds		Cost	144.51		322.13
		Repurchase value	146.92		328.41

# Schedules forming part of the Balance Sheet

Investments purchased and sold/ redeemed during the year other than shown above:

(Rs. in crore)

Mutual Funds	Face Value Rs.	Cost of Acquisition		Cost of Sale/Redemption	
		Nos./Units	Amount	Nos./Units	Amount
<b>Schedule - 6</b> <b>INVESTMENTS (AT COST)</b> <b>(Contd.)</b>					
ABN Amro Money Plus Fund Growth	10	9765943	12.00	9765943	12.28
AIG India Treasury Plus Fund Super					
Institutional Growth	10	24070582	25.63	24070582	26.20
Birla Sunlife Cash plus Institutional					
Premium Growth	10	14787431	20.00	14787431	20.01
Birla Sunlife Interval Income Fund Series -2	10	18544944	20.01	18544944	20.20
Birla Sunlife S Term Fund Growth	10	13779439	13.95	13779439	14.00
Birla Sunlife Saving Fund Institutional Growth	10	24201648	40.00	24201648	40.21
DSP Black Rock Liquid Plus Fund Growth	1000	169906	20.20	169906	20.26
DSP Black Rock Money Manager Fund	1000	81620	10.00	81620	10.03
DSP Merrill Lynch Cash Plus Institutional Growth	1000	184263	20.00	184263	20.01
DSP Merrill Lynch FMP 1M Series-3	10	20005467	20.01	20005467	20.20
DSP Merrill Lynch Liquid Plus Institutional Fund Growth	1000	88090	10.00	88090	10.05
DWS Credit Opportunity Cash Fund	10	23254300	25.00	23254300	25.35
Fortis Overnight Institutional Fund Growth	10	8549413	11.08	8549413	11.11
Grindlays Floating Rate Fund LT Institutional					
Plan B-Growth	10	55556714	70.00	55556714	70.32
HDFC Cash Management Fund Dividend	10	31094921	50.18	31094921	50.31
HDFC Cash Management Fund-Treasury					
Plan - Growth	10	3032364	5.45	3032364	5.54
HDFC Liquid Fund Dividend	10	9807287	10.00	9807287	10.00
ICICI Prudential Flexible Income Plan	10	13074977	20.43	13074977	20.87
ICICI Prudential Institutional Liquid plan Growth	10	8143124	10.00	8143124	10.19
IDFC Cash Fund Super Institutional Plan C Growth	10	9863878	10.00	9863878	10.19
IDFC Fixed Maturity Plan-Quarterly Series 36-Growth	10	10000000	10.00	10000000	10.25
IDFC Fixed Maturity Plan-Quarterly Series 43-Growth	10	10251800	10.25	10251800	10.54
IDFC Floating Rate Fund-LT-Institutional					
Plan B-Growth	10	39230051	50.22	39230051	50.53
IDFC Liquid Plus Fund Growth	10	19874181	26.00	19874181	26.09
IDFC Liquid Plus Treasury Plan C - Growth	10	75150783	76.63	75150783	77.02
ING Liquid Plus Fund Institutional Growth	10	21160210	23.40	21160210	23.57
ING Vyasa Short Term Income Fund Growth	10	15782230	23.09	15782230	23.40
J.M Money Manager Fund Growth	10	13194121	15.00	13194121	15.07
JP Morgan India Liquid Plus Fund Dividend	10	15478221	15.49	15478221	15.49
JP Morgan India Liquid Plus Fund Growth	10	14308608	15.00	14308608	15.07
JP Morgan India Liquid Fund Dividend	10	14995921	15.01	14995921	15.01
Kotak Flexi Debt Scheme Growth	10	9301374	9.81	9301374	10.00
Kotak Quarterly Interval Plan Series-2 Growth	10	14674474	15.67	14674474	16.52
Mirae Asset Liquid Fund Certificate of Deposits	100000	1500	14.30	1500	15.00
Mirae Asset Liquid Plus Fund	1000	115961	12.00	115961	11.58
Principal Floating Flexible Maturity Plan	10	7239295	10.00	7239295	10.01
Reliance Fixed Horizon Fund VIII Series-11	10	10000000	10.00	10000000	10.22
Reliance Fixed Horizon X Series-13	10	10218300	10.22	10218300	10.49
Reliance Liquid Plus Fund Institutional Growth	1000	89074	10.00	89074	10.16
Reliance Medium Term Fund Growth	10	28323136	50.52	28323136	50.75
SBI Debt Fund 30 Days Growth	10	20000000	20.00	20000000	20.18
SBI Debt Fund Series- 90 Days- 23- Growth	10	30356156	30.36	30356156	31.11
SBI Premier Liquid Fund Growth	10	7875366	10.16	7875366	10.17
SBI SHF Liquid Plus Fund Growth	10	18664103	20.71	18664103	20.74
Templeton India Ultra Short Bond Fund	10	10051631	10.54	10051631	10.62
UTI Liquid Plus Fund Institutional Growth	1000	181860	20.15	181860	20.17
UTI Monthly Interval Plan Series-1	10	18881997	20.00	18881997	20.15
UTI Treasury Advantage Fund	1000	170323	19.92	170323	20.00

## Schedules forming part of the Balance Sheet

(Rs. in crore)

As at		31.03.2009	31.03.2008
<b>Schedule - 7</b>	<b>INVENTORIES</b>		
Stores and Spares		14.07	11.43
Raw Materials		26.13	30.30
Finished Goods		47.57	48.75
Process Stock		93.38	72.28
<b>Total</b>		<b>181.15</b>	<b>162.76</b>

<b>Schedule - 8</b>	<b>SUNDY DEBTORS (Unsecured)</b>		
Considered good			
Due for a period exceeding six months		62.98	19.54
Others		432.82	457.33
Considered Doubtful (Due for a period exceeding six months)		0.64	0.39
Less : Provision for Doubtful Debts		0.64	0.39
		—	—
<b>Total</b>		<b>495.80</b>	<b>476.87</b>

<b>Schedule - 9</b>	<b>CASH AND BANK BALANCES</b>		
Cash on hand		0.16	0.16
(including cheques on hand and remittances in transit Nil (Previous year Rs. 0.02 crore)			
<b>With Scheduled Banks</b>			
in Current Accounts (including Rs. 0.31 crore in unclaimed dividend accounts) (previous year Rs. 0.28 crore)		60.99	122.28
in Fixed Deposits [including Rs. 831.85 crore (previous year Rs. 894.64 crore) unutilised amount of FCCB issue]		1028.32	1194.68
(Out of above, fixed deposits of Rs. 157.44 crore (previous year Nil) under lien to banks)			
		1089.31	1316.96
<b>With Non- Scheduled Banks</b>			
in Current Account with The Associated Co-op. Bank Ltd.		10.00	8.75
(Maximum balance during the year Rs. 10.00 crore previous year Rs. 8.75 crore)			
<b>Total</b>		<b>1099.47</b>	<b>1325.87</b>

<b>Schedule - 10</b>	<b>LOANS AND ADVANCES</b>		
(Unsecured, considered good except stated otherwise)			
Advances recoverable in cash or in kind or for value to be received		264.83	130.73
Loans to Subsidiaries/Step down Subsidiaries		120.12	146.35
Loan to Employee Welfare Trust		4.09	—
Share application money pending allotment		35.00	50.05
Advance Payment of Tax and Tax Deducted at Source (Net of Provision)		19.81	—
Balance with Central Excise Department		0.88	0.01
		444.73	327.14
Considered Doubtful		0.09	0.09
Less : Provision for doubtful loans & Advances		0.09	0.09
		—	—
<b>Total</b>		<b>444.73</b>	<b>327.14</b>

## Schedules forming part of the Balance Sheet

(Rs. in crore)

As at		31.03.2009	31.03.2008
<b>Schedule - 11   CURRENT LIABILITIES AND PROVISIONS</b>			
<b>A. Current Liabilities</b>			
Acceptances	51.76		150.94
Sundry Creditors			
- Due to Micro and Small Enterprises (Refer Note 14 of Schedule 20)	0.35		2.32
- Others	230.28		157.65
Investor Education and Protection Fund			
- Unclaimed Dividend	0.31		0.28
- Unclaimed Debenture Installment & Interest	0.18		0.37
(These do not include any amounts due and outstanding to be credited to "Investors Education and Protection Fund")			
Interest accrued but not due	6.91		0.87
		289.79	312.43
<b>B. Provisions</b>			
Provision for Leave Salary	5.23		4.38
Provision for Gratuity	5.38		4.16
Premium payable on redemption of outstanding FCCBs	263.17		263.17
Provision for Taxation (Net of advance tax and TDS)	—		2.06
Proposed Dividend	15.02		13.65
Tax on Dividend	2.51		2.32
		291.31	289.74
<b>Total</b>		581.10	602.17

<b>Schedule - 12   MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)			
Shares Issue Expenses	1.15		2.12
Less : Amount amortised	0.98		0.97
<b>Total</b>	0.17		1.15

## Schedules forming part of the Profit and Loss Accounts

For the year ended		31.03.2009	31.03.2008
<b>Schedule - 13   OTHER INCOME</b>			
Interest (Gross)*	65.70		13.47
Dividend [include Dividend received from subsidiary Rs. 0.22 crore (previous year Rs. 0.20 crore)]	2.02		2.04
Profit on sale of Fixed Assets (Net)	0.41		0.68
Profit on sale of Investments (Net)	19.22		12.50
Excess Provision for Expenses of earlier years written back	0.15		1.60
Provision for Doubtful Debts written back	—		0.12
Foreign Exchange Gain	—		9.75
Miscellaneous Income	7.23		4.40
<b>Total</b>	94.73		44.56
*Note: Tax deducted at source from Interest Rs. 6.22 crore (previous year Rs. 2.56 crore)			

<b>Schedule - 14   INCREASE/(DECREASE) IN STOCK OF FINISHED AND PROCESS STOCK</b>			
<b>Closing Stock</b>			
Finished Goods	47.57		48.75
Process Stock	93.38		72.28
		140.95	121.03
<b>Less: Opening Stock</b>			
Finished Goods	48.75		55.32
Process Stock	72.28		46.37
		121.03	101.69
<b>Total</b>		19.92	19.34

# Schedules forming part of the Profit and Loss Accounts

(Rs. in crore)

For the year ended	2008-09		2007-08	
	Quantity (Kgs. in crore)	Amount	Quantity (Kgs. in crore)	Amount
<b>Schedule - 15   RAW MATERIALS CONSUMED</b>				
Cotton, Yarn and other Fibres	0.52	59.35	0.62	66.76
Plastic Resins, Granules & Powder etc.	4.56	515.93	4.20	455.81
Bought-out goods consumed	—	583.94	—	502.51
<b>Total</b>		<b>1159.22</b>		<b>1025.08</b>

Note :

Value and percentage of Raw Materials consumed:	Amount	Percentage	Amount	Percentage
Imported	19.97	1.72	16.85	1.64
Indigenous	1139.25	98.28	1008.23	98.36
<b>Total</b>	<b>1159.22</b>	<b>100.00</b>	<b>1025.08</b>	<b>100.00</b>

	31.03.2009	31.03.2008
<b>Schedule - 16   EMPLOYEES' EMOLUMENTS</b>		
Payments to and Provisions for Employees :		
Salaries, Wages, Bonus and Other Payments	57.20	51.92
Contribution to Provident, Superannuation and Gratuity Funds	6.82	6.03
Welfare Expenses	4.23	2.78
Employees Compensation Expenses	9.27	2.73
<b>Total</b>	<b>77.52</b>	<b>63.46</b>

<b>Schedule - 17   MANUFACTURING AND OTHER EXPENSES</b>			
Stores & Spare Parts Consumed		89.61	89.78
Power & Fuel		70.80	58.79
Rent		2.67	2.25
Repairs:			
Buildings	0.59		1.14
Plants & Machinery	0.79		0.84
Others	2.76		2.39
		4.14	4.37
Excise Duty provided on Stocks		(0.99)	(1.42)
Insurance		3.23	3.99
Rates & Taxes		0.34	0.47
Stationery, Printing, Postage, Telegram and Advertisement etc.		14.95	13.54
Directors' Fees and Travelling Expenses [including Rs. 0.46 crore (Previous year Rs. 0.48 crore) for travelling and halting allowances]		0.50	0.53
Audit Fees		0.43	0.19
Commission and Brokerage on Sales		30.72	24.01
General Charges		43.81	45.04
Charity & Donation		0.07	0.07
Foreign Exchange Loss		31.78	—
Provision for Doubtful Debts		0.25	—
Misc. Expenditure Written off		0.98	0.97
<b>Total</b>		<b>293.29</b>	<b>242.58</b>

Note :

	2008-09		2007-08	
	Amount	Percentage	Amount	Percentage
1. Stores & Spares consumed :				
Imported	9.11	10.17	5.59	6.23
Indigenous	80.50	89.83	84.19	93.77
<b>Total</b>	<b>89.61</b>	<b>100.00</b>	<b>89.78</b>	<b>100.00</b>

# Schedules forming part of the Profit and Loss Accounts

Note :

(Rs. in crore)

	2008-09	2007-08
	Amount	Amount
<b>2. General Charges includes</b>		
a) Payments to Auditors in other capacity :		
i) To affiliated firms	0.36	0.08
ii) For other services (including certification etc.)	0.04	0.10
iii) For certification work required to be done by the statutory auditors	0.02	0.02
iv) For Expenses	0.02	0.01
<b>Total</b>	<b>0.44</b>	<b>0.21</b>
b) Cost Auditor Audit fees	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.01</b>

Note : The above mentioned fees paid to auditors in other capacities is excluding Rs. 0.50 crore (previous year Rs. 1.12 crore) paid for certification work required to be done by the Statutory Auditors for the purpose of QIP & FCCB issues and adjusted against Securities Premium Reserve.

For the year ended	31.03.2009	31.03.2008
<b>Schedule - 18   INTEREST AND FINANCE CHARGES</b>		
On Debentures, Term Loans and Working Capital	43.84	35.36
Others	20.13	20.89
<b>Total</b>	<b>63.97</b>	<b>56.25</b>

# Schedules forming part of the Accounts

## Schedule - 19 | SIGNIFICANT ACCOUNTING POLICIES

### 1) Accounting Convention

The financial statements are prepared on historical cost basis and based on accrual method of accounting and in accordance with applicable Accounting Standards.

### 2) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

### 3) Fixed Assets

Fixed assets are stated at historical cost net of cenvat, inclusive of financing costs till commencement of commercial production and less accumulated depreciation.

### 4) Impairment of Assets

The Company evaluates impairment losses on the fixed assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such assets are considered to be impaired, the impairment loss is then recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the smallest level for which there are separately identifiable cash flows.

### 5) Expenditure during construction period

In case of new projects/expansion of existing projects, revenue expenditure incurred during construction/preoperative period in so far as such expenses relate to the period prior to the commencement of commercial production are treated as part of the project cost and capitalised.

### 6) Intangible assets

Certain technical know how and software cost are capitalised and recognised as Intangible Assets in terms of Accounting Standard -26 "Intangible Assets" based on materiality, accounting prudence and significant economic benefits expected to flow therefrom for a period longer than one year.

### 7) Depreciation

Depreciation on Buildings, Plant and Machinery is calculated on straight line basis under Section 205(2)(b) of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV of the said Act. Depreciation on Furniture, Fixtures, Office Equipments, Borewell and Vehicles is calculated on written down value basis under Section 205(2)(a) of the Companies Act, 1956 at the rates and in the manner specified in Schedule XIV of the said Act.

Intangible assets are amortised over a period of five years.

### 8) Borrowing Cost

Interest and other costs in connection with the borrowings of the funds to the extent related/ attributed to the acquisition /construction of

# Schedules forming part of the Accounts

## Schedule - 19 | SIGNIFICANT ACCOUNTING POLICIES (Contd..)

qualifying fixed assets are capitalised upto the date when such assets are ready for their intended use and other borrowing costs are charged to the Profit and Loss Account.

### 9) Investments

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in nature. Current Investments are stated at lower of cost or fair value.

### 10) Inventories

Inventories of finished goods, raw materials and process stock are carried at lower of cost and net realisable value. Fuel and stores & spare parts are carried at or below cost. Cost for raw materials, fuel, stores & spare parts are ascertained on weighted average /FIFO basis. Cost for finished goods and process stock is ascertained on full absorption cost basis and includes excise duty.

### 11) Revenue Recognition

Revenue is recognised based on the nature of activity, when consideration can be reasonably measured and there exists reasonable certainty of its recoverability.

Revenue from sale of goods is recognised when substantial risk and rewards of ownership are transferred to the buyer under the terms of the contract.

Sales value is net of discount and inclusive of excise duty and sales tax but does not include other recoveries such as handling charges, transport, octroi, etc.

### 12) Cenvat credit

Cenvat credit is accounted for on accrual basis on purchase of materials.

### 13) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing at the time the transactions are effected.

Monetary items denominated in foreign currency at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the differences between the year end rates and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Account for the period in which the difference takes place.

Non monetary foreign currency items are carried at historical cost.

### 14) Prior Period Expenses/Income

Material items of prior period expenses/income are disclosed separately.

### 15) Employees Benefits

#### Defined Contribution Plan

The Company's contributions paid / payable for the year to Provident Fund and ESIC are recognised in the Profit and Loss Account.

#### Defined Benefit Plan

The Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

### 16) Employee Stock Option Scheme

The Company has formulated Sintex Industries Limited Employee Stock Option Scheme, 2006 (ESOS) in accordance with SEBI (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999. The ESOS is administered through a Trust. The accounting of employees share based payment plans administered through the Trust is carried out in terms of "Guidance Note on Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India. In accordance with SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight line basis over the vesting period.

### 17) Miscellaneous Expenditure

Share Issue Expenses incurred upto March, 2006 are amortised over a period of 5 years as per the prevailing provisions of Section 35-D of the Income Tax Act, 1961.

### 18) Accounting for Tax

Current tax and Fringe Benefit tax are accounted on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax resulting from "Timing Differences" between book and taxable profit is accounted for using the tax rates that have been enacted or substantively enacted on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

# Schedules forming part of the Accounts

## Schedule - 19 | SIGNIFICANT ACCOUNTING POLICIES (Contd..)

### 19) Leases

Assets acquired under lease where the Company has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired on leases where a significant portion of the risks and rewards incidental to ownership is retained by the lessor are classified as operating lease. Lease rentals are charged to the Profit and Loss Account on accrual basis.

### 20) Redemption Premium of Foreign Currency Convertible Bonds (FCCBs)

Premium payable on redemption of FCCBs is fully provided and charged to Securities Premium Account in the year of issue.

### 21) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

### 22) Financial Derivatives

In respect of derivative contracts, premium paid and gains/ losses on settlement are charged to Profit and Loss Account. Losses arising on the restatement of the outstanding derivative contracts as at the year end by marking them to market are charged to the Profit and Loss Account.

## Schedule - 20 | NOTES FORMING PART OF ACCOUNTS

(Rs. in crore)

	2008-09	2007-08
1) Previous year's figures have been regrouped / reclassified, wherever necessary to make them comparable with the figures of the current year financial statements.		
2) Estimated amount (net of advances) of contracts remaining to be executed on capital accounts and not provided for	6.30	11.50
3) Contingent liabilities in respect of :-		
a) Amount of claims of certain retrenched employees for re-instatement with back wages.	Amount not ascertained	Amount not ascertained
b) Corporate guarantees given to banks/Institutions	252.87	251.42
c) Performance guarantees given to customers by bankers	53.81	52.68
d) Disputed demand not acknowledged as debt against which the Company has preferred appeal	11.14	-

4) The Scheme of Arrangement (the "Scheme") between the Company and its equity shareholders was approved by the Board of Directors vide its resolution dated June 30, 2008, by the shareholders in their Court convened meeting held on September 15, 2008 and by the Honourable High Court of Gujarat vide its order dated March 25, 2009. The Appointed Date of Scheme is April 1, 2008. The Company has filed the Order with the Registrar of Companies, Gujarat within the time specified in the Order and the Scheme has been given effect to in these financial statements. Accordingly, as per the Scheme, from the said date, the Company has earmarked Rs. 200 crore from Securities Premium Reserve to International Business Development Reserve Account (the "IBDR").

As per the Scheme, the balance of IBDR so earmarked is available towards such expenses as specified under the Scheme. Accordingly, during the year, the Company has adjusted against the earmarked balance of IBDR an amount of Rs. 130.73 crore being such specified expenses of the nature of cost of investments, professional fees, legal fees, finance charges, due diligence expenses and other such expenses incurred in respect of acquisition of a target overseas company by corresponding adjustment to the cost of investments in the related subsidiary company. The said accounting treatment has been followed as prescribed under the Scheme and it has no impact on the profit for the year, as per the Scheme.

5) Pursuant to letter dated March 20, 2009 received from the Promoter Group Companies regarding expression of their unwillingness to exercise their conversion right of 10512000 Convertible Share Warrants to be converted into Equity Shares of the Company, as per Chapter - XIII of SEBI (Disclosure & Investor Protection) Guidelines, 2000, the Company has forfeited 10% upfront amount of Rs. 47.80 crore received at the time of allotment of warrants. Accordingly, the said amount has been transferred during the year to Capital Reserve.

6) The Company issued Zero Coupon Foreign Currency Convertible Bonds ("FCCBs") aggregating to US\$ 225 million on March 12, 2008 for financing foreign currency expenditure for expansion plans in existing businesses, investments in overseas joint ventures and/or wholly owned subsidiaries, international acquisitions and others.

The proceeds of the above issue have been utilised on an overall basis as set out below:

Particulars	USD in million	Rs. in crore
FCCB issue expenses directly paid	1.01	4.04
Investment in overseas subsidiary	64.61	282.06

# Schedules forming part of the Accounts

## Schedule - 20 | NOTES FORMING PART OF ACCOUNTS (Contd..)

Unutilised FCCB proceeds amounting to Rs. 805.62 crore have been invested in fixed deposits and Rs. 26.23 crore have been lying in Current Account with banks at the year end.

7) The Company raised Rs. 589.50 crore (USD 150 million) by issuing 1,25,42,553 Equity Shares of Rs. 2 each to Qualified Institutional Buyers ("QIBs") at a premium of Rs. 468 per share in February, 2008.

The proceeds of above issue have been utilised on an overall basis as set out below:

Particulars	Rs. in crore
QIB issue expenses directly paid	10.53
Capital Expenditure (including Capital Work in Progress)	385.30
Repayment of Working Capital	122.50

Unutilised QIB proceeds amounting to Rs. 71.17 crore have been invested in Fixed Deposits with banks.

8) The Profit and Loss Account includes:

	2008-09	(Rs. in crore)	2007-08
a) Chairman/Vice Chairman Remuneration (Two)			
Salary	0.53		0.40
Commission	1.60		1.60
Contribution to Provident Fund and Superannuation Fund	0.14		0.10
Perquisites in cash or in kind	0.38		0.28
Total	2.65		2.38
b) Managing Directors' Remuneration (Three)			
Salary	0.97		0.64
Commission	2.10		2.10
Contribution to Provident Fund and Superannuation Fund	0.26		0.17
Perquisites in cash or in kind	0.72		0.48
Total	4.05		3.39
<b>Grand Total</b>	<b>6.70</b>		<b>5.77</b>

9) Computation of Net Profit as per Section 349 read with Section 309(5) and Section 198 of the Companies Act, 1956 :

	2008-09	2007-08
Profit as per Profit and Loss Account	266.71	216.33
Add: Provision for Taxation	74.95	64.20
Managerial Remuneration	6.70	5.77
Director's Fees	0.05	0.04
Depreciation (as per accounts)	62.40	51.70
Loss/(Profit) on Sale of Investments	(19.22)	(12.50)
Loss/(Profit) on Sale of Fixed Assets	(0.41)	(0.68)
Provision for Doubtful Debts & Advances	0.25	(0.12)
Share Issue Expenses written off	0.98	0.97
Total (a)	392.41	325.72
Less: Depreciation (as per Section 350)	62.40	51.70
Total (b)	62.40	51.70
Net Profit (a-b)	330.01	274.02
Remuneration @ 10 %	33.00	27.40
Commission : (Subject to the overall ceiling laid down in section 198 and Section 309 of the Companies Act, 1956)		
i) 2% of Net Profit each to Chairman and Vice Chairman	6.60	5.48
Restricted to	1.60	1.60
ii) 2% of Net Profit to each Managing Director (Two)	6.60	5.48
Restricted to	1.60	1.60
iii) 1% of Net Profit to one Managing Director	3.30	2.74
Restricted to	0.50	0.50

10) ESOP

i) The Company initiated "the Sintex Industries Limited Employee Stock Option Scheme, 2006" (the "Scheme") for all eligible employees in pursuance of the special resolution approved by the shareholders in the Extraordinary General Meeting held on February 24, 2006. The Scheme covers all directors and employees (except promoters or those belong to the promoters' group) of the Company and directors and

# Schedules forming part of the Accounts

## Schedule - 20 NOTES FORMING PART OF ACCOUNTS (Contd..)

employees of all its subsidiaries. Under the Scheme, the Compensation Committee of the Board (the "Committee") administers the Scheme and grants stock options to eligible directors or employees of the Company and its subsidiaries. The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 10,000 options per annum for each employee. The vesting period is at the expiry of thirty six months from the date of the grant of option. The Committee has decided the exercise price of Rs. 91.70 per equity share as per clause 8.1 of SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

- ii) The Company has given loan to Sintex Employees Welfare Trust ( ESOP Trust) towards subscribing 10,00,000 equity shares of the Company at Rs. 91.70 per share aggregating to Rs. 9.17 crore. On August 21, 2006, the Company issued 10,00,000 equity shares of the face value of Rs. 2 each to ESOP Trust at Rs. 91.70 per share.
- iii) During the year, the Company granted 3,36,500 (previous year 6,63,500) options to eligible employees at Rs. 91.70 per share. The details of outstanding options are as under:

Particulars	2008-09	2007-08
Options outstanding as at beginning of the year	663500	Nil
Add: Options granted during the year	336500	663500
Less: Options exercised during the year	Nil	Nil
Less: Options forfeited during the year	Nil	Nil
Options outstanding at the end of the year	1000000	663500

### 11) Employee Benefits

#### a) Defined Benefit Plans

(Rs. in crore)

Particulars	2008-09		2007-08	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
i Expense recognised in Profit & Loss Account and included in Schedule 16 "Employee Emoluments"				
Current Service Cost	1.16	0.72	1.03	0.49
Interest Cost	0.89	0.34	0.74	0.26
Expected return on plan assets	(0.71)	–	(0.62)	–
Net actuarial losses (gains)	0.79	0.13	0.80	0.62
Total Expenses	2.13	1.19	1.95	1.37
ii Reconciliation of opening and closing balances of changes in present value of the defined benefit obligation:				
Opening Balance of defined benefit obligation	11.50	4.38	9.38	3.27
Current Service Cost	1.16	0.72	1.03	0.49
Interest Cost	0.89	0.34	0.74	0.26
Actuarial losses (gains)	0.77	0.13	0.82	0.62
Liabilities extinguished on settlements	–	–	–	–
Benefits paid	(0.59)	(0.34)	(0.47)	(0.26)
Closing Balance of defined benefit obligation	13.73	5.23	11.50	4.38
iii Reconciliation of opening and closing balances of changes in the fair value of plan assets:				
Opening Balance of plan assets	7.34	–	6.43	–
Expected returns on plan assets	0.71	–	0.62	–
Actuarial gains (losses)	(0.02)	–	0.02	–
Assets distributed on settlements	–	–	–	–
Contribution by employer	0.91	–	0.74	–
Benefits paid	(0.59)	–	(0.47)	–
Closing Balance of plan assets	8.35	–	7.34	–
iv Net Liability recognised in the Balance Sheet				
Closing Balance of defined benefit obligation	13.73	5.23	11.50	4.38
Closing balance of fair value of plan assets	8.35	–	7.34	–
Present value of unfunded obligation recognised as liability	5.38	5.23	4.16	4.38
v Actual return on plan assets	0.70	–	0.64	–

# Schedules forming part of the Accounts

## Schedule - 20 | NOTES FORMING PART OF ACCOUNTS (Contd..)

	As at March 31, 2009
vi Actuarial Assumptions:	
Discount Rate	7.75%
Expected rate of return on plan assets	9.00%
Expected rate of salary increase	6.00%
Mortality	LIC (1994-96) published table of rates
Withdrawal Rates	Suitable rates based on attained age
Retirement age	60 years
Actuarial Valuation Method	Projected Unit Credit Method

vii The Company has Defined Benefit Plans for Gratuity to its employees, contribution for which are made to Life Insurance Corporation of India who invests the funds as per Insurance Regulatory and Development Authority Guidelines.

### b) Defined Contribution Plans

Rs. 4.69 crore (previous year Rs. 4.09 crore) recognised as an expense and included in the Schedule 16 of Profit and Loss Account under the head "Contributions to Provident, Superannuation and Gratuity Fund".

### 12) A) Loans and Advances in the nature of Loans given to Subsidiaries

(Rs. in crore)

Name of the Company		As at March 31, 2009	As at March 31, 2008	Maximum Balance during the year	Maximum Balance during 2007-08
Zeppelin Mobile Systems India Ltd.	Subsidiary	47.92	11.20	47.92	11.20
Sintex Holdings B.V.	Subsidiary	–	109.35	109.35	122.61
Bright AutoPlast Pvt. Ltd.	Subsidiary	72.20	25.80	72.20	68.73

#### Notes:

- Loans & Advances shown above fall under the category of Loans and Advances in nature of loans where repayment will commence in three annual equal installment from the end of 3rd year.
- Rate of Interest for the loans and advances given to Zeppelin Mobile Systems India Limited and Bright AutoPlast Private Limited has been decided on draw down but not less than prevailing bank rate.

### B) Investment by the loanee in the shares of the Company

None of the loanees and loanees of subsidiary companies have, per se, made investments in shares of the Company.

13) Foreign currency exposure not hedged by derivative instruments as at March 31, 2009 amounting to Rs. 1160.14 crore (previous year Rs. 919.39 crore).

14) The following disclosures are made for the amounts due to the Micro and Small Enterprises:

Particulars	31.03.2009	31.03.2008
Principal amount remaining unpaid to any supplier as at the year end	0.35	2.32
Interest due on the above mentioned principal amount remaining unpaid to any supplier as at the year end	–	–
Amount of the interest paid by the Company in terms of Section16 of Micro, Small and Medium Enterprises Development Act, 2006 ("MSM Act") along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	–	–
Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSM Act.	–	–
Amount of interest accrued and remaining unpaid at the end of the accounting year	–	–

On the basis of information and records available with the Company, there are no delays in payments to Micro and Small Enterprises as required to be disclosed under the MSM Act and the above mentioned disclosures are made under Schedule -11 "Current Liabilities and Provisions". The above information has been determined to the extent such parties have been identified by the Company on the basis of information supplied by the parties, which has been relied upon by the auditors.

# Schedules forming part of the Accounts

## Schedule - 20 | NOTES FORMING PART OF ACCOUNTS (Contd..)

### 15) Quantitative Information

- i) Licensed & Installed Capacity and Production
- a) Textile Unit

Particulars	2008-09			2007-08		
	Capacity*		Production Qty.	Capacity*		Production Qty.
	Licensed (Nos.)	Installed (Nos.)	(Cloth Pkd. Mtrs in cr.)	Licensed (Nos.)	Installed (Nos.)	(Cloth Pkd. Mtrs in cr.)
Looms	592	377	1.57	592	377	1.60

- b) Plastic Unit

Particulars	2008-09			2007-08		
	Capacity*		Production Qty.	Capacity*		Production Qty.
	Licensed (Kgs in cr.)	Installed (Kgs in cr.)	(Kgs in cr.)	Licensed (Kgs in cr.)	Installed (Kgs in cr.)	(Kgs in cr.)
Thermoplastic Powder Moulding	4.10	3.89	2.72	4.10	3.69	2.67
Extruded Thermo-Plastic Sections	4.00	3.88	0.74	4.00	3.88	0.89
Prefabricated Structures/ BT Shelters (Qty. in Actual Nos.)	75000.00	60000.00	42531.00	75000.00	50000.00	38170.00
SMC/Pultrusion and Articles-made thereof /						
Thermoforming and Blow Moulding/ Injection Moulding	2.00	1.66	0.63	2.00	1.66	0.52

\* As Certified by the Management

- ii) Value & Quantitative break-up in respect of Opening & Closing Stock of each class of goods produced.

Class of Goods	Unit	2008-09		2007-08	
		Opening Stock	Closing Stock	Opening Stock	Closing Stock
		Qty. (in cr.)	Rs. (in cr.)	Qty. (in cr.)	Rs. (in cr.)
Cloth Packed	Mtrs.	0.04	3.58	0.04	4.28
Rotomoulded Products	Kgs.	0.13	16.44	0.12	16.40
Plastic Sections	Kgs.	0.07	5.86	0.07	6.93
SMC/Pultrusion and Articles made thereof /					
Plastic Thermoforming	Kgs.	0.01	2.34	0.03	3.36

- iii) Quantitative and Value Analysis of Sales

	Unit	2008-09		2007-08	
		Qty. in crore	Rs. in crore	Qty. in crore	Rs. in crore
a) Textile Unit:					
Cloth	mtrs.	2.71	366.23	2.65	342.99
Yarn	Kgs.	0.05	5.37	0.06	5.98
Waste		—	2.82	—	2.71
b) Plastic Unit					
Rotomoulded Products	Kgs.	2.73	352.92	2.74	364.17
Plastic Sections	Kgs.	0.74	63.00	0.89	57.76
Prefabricated Structures/ BT Shelters	Actual Nos.	42531.00	1088.29	38170.00	917.76
SMC/Pultrusion /Thermoforming	Kgs.	0.61	101.46	0.53	95.70
Others		—	1.95	—	3.22
<b>Total</b>			<b>1982.04</b>		<b>1790.29</b>

# Schedules forming part of the Accounts

## Schedule - 20 | NOTES FORMING PART OF ACCOUNTS (Contd..)

	(Rs. in crore)	
	2008-09	2007-08
iv) a) Value of Import on CIF Basis		
Raw Materials	11.51	12.31
Stores & Spare Parts	11.14	5.91
Capital Goods	0.99	36.13
b) Earnings in Foreign Currency		
FOB Value of Direct Export	33.30	40.04
c) Expenditure in Foreign Currency		
Travelling Expenses	4.10	2.64
Commission	0.46	0.50
Technical Fees	—	0.36
Professional Fees	0.30	0.40

16) The Deferred Tax Liability/ Asset comprises of tax effect of timing differences on account of:

As at	31.03.2009	31.03.2008
Deferred Tax Liability		
Difference between Book and Tax Depreciation	135.14	103.13
Total	135.14	103.13
Deferred Tax Asset		
Disallowances under Income Tax	(4.21)	(3.52)
Provision for Doubtful Debts & Advances	(0.24)	(0.16)
Total	(4.45)	(3.68)
Deferred Tax Liability (Net)	130.69	99.45

17) Earnings Per Share (EPS) -The numerators and denominators used to calculate Basic and Diluted Earnings Per Share

Particulars	2008-09	2007-08
Basic Earnings Per Share before Extra Ordinary Items		
Profit attributable to the shareholders (Rs. in crore)	A	266.71
Weighted average number of Equity Shares outstanding during the year	B	135495433
Nominal value of Equity Shares (Rs.)		2.00
Basic Earnings Per Share (Rs.)	A/B	19.68
Diluted Earnings Per Share before Extra Ordinary Items :		
Profit attributable to the shareholders (Rs. in crore)	A	266.71
Weighted average number of Equity Shares outstanding during the year	B	135495433
Nominal Value of Equity Shares (Rs.)		2.00
Diluted Earnings Per Share (Rs.)	A/B	19.68
	No. of shares	No. of shares
Weighted average number of Equity Shares outstanding during the year for Basic EPS	135495433	117872309
Add : Dilutive potential Equity Shares	—	24049
Weighted average number of Equity Shares outstanding during the year for Dilutive EPS	135495433	117896358

18) Related Party Transactions:

a) Names of related parties & description of relationship :

Sr. No.	Nature of Relationship	Name of Related Parties
1	Associate companies	Som Shiva Impex Limited BVM Finance Private Limited Sintex International Limited
2	Key Management Personnel	Shri Dinesh B. Patel, Chairman Shri Arun P. Patel, Vice Chairman Shri Rahul A. Patel, Managing Director Shri Amit D. Patel, Managing Director Shri S.B. Dangayach, Managing Director

# Schedules forming part of the Accounts

## Schedule - 20 | NOTES FORMING PART OF ACCOUNTS (Contd..)

Sr. No.	Nature of Relationship	Name of Related Parties
3	Subsidiaries	Zeppelin Mobile Systems India Limited Sintex Holdings B.V. Bright AutoPlast Private Limited

b) Detail of transactions with related parties: (Rs. in crore)

Nature of Transactions	Subsidiary/Associates Companies		Key Management Personnel		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
I] Volume of transactions:						
A) Job Work						
Som Shiva Impex Ltd.	1.22	1.09	–	–	1.22	1.09
B) Purchase/ Sale of Goods						
Som Shiva Impex Ltd.	4.83	2.41	–	–	4.83	2.41
Sintex International Ltd.	0.01	0.01	–	–	0.01	0.01
C) Managerial Remuneration						
Dinesh B. Patel	–	–	1.33	1.19	1.33	1.19
Arun P. Patel	–	–	1.33	1.19	1.33	1.19
Rahul A. Patel	–	–	1.44	1.25	1.44	1.25
Amit D. Patel	–	–	1.44	1.25	1.44	1.25
S.B. Dangayach	–	–	1.16	0.89	1.16	0.89
D) Unsecured Loan/Advances Given						
Zeppelin Mobile Systems India Ltd.	36.72	4.58	–	–	36.72	4.58
Zeppelin Mobile Systems India Ltd. (Advance Subscription Money)	35.00	–	–	–	35.00	–
Sintex Holdings B.V.	–	109.35	–	–	–	109.35
Bright AutoPlast Pvt. Ltd.	46.40	25.80	–	–	46.40	25.80
Sintex International Ltd.	42.00	–	–	–	42.00	–
BVM Finance Pvt. Ltd. (Advance Subscription Money)	–	8.69	–	–	–	8.69
E) Unsecured Loan/Advances Taken/(Repaid)						
Sintex International Ltd.	(1.93)	(0.25)	–	–	(1.93)	(0.25)
F) Dividend Received						
Zeppelin Mobile Systems India Ltd.	0.22	0.20	–	–	0.22	0.20
II] Balance at the end of the year						
A) Unsecured Loans						
Sintex International Ltd.	–	1.93	–	–	–	1.93
B) Current Liabilities						
Som Shiva Impex Ltd.	0.21	–	–	–	0.21	–
Sintex International Ltd.	0.02	0.01	–	–	0.02	0.01
Dinesh B. Patel	–	–	0.80	0.80	0.80	0.80
Arun P. Patel	–	–	0.80	0.80	0.80	0.80
Rahul A. Patel	–	–	0.80	0.80	0.80	0.80
Amit D. Patel	–	–	0.80	0.80	0.80	0.80
S.B. Dangayach	–	–	0.50	0.50	0.50	0.50
C) Investments in Equity Shares/Share Application Money						
Sintex International Ltd.	3.00	3.00	–	–	3.00	3.00
Zeppelin Mobile Systems India Ltd.	18.00	18.00	–	–	18.00	18.00
Sintex Holdings B.V.	363.59	77.91	–	–	363.59	77.91
Bright AutoPlast Pvt. Ltd.	50.00	–	–	–	50.00	–
BVM Finance Pvt. Ltd.	8.69	–	–	–	8.69	–
D) Investments in Preference shares						
Bright AutoPlast Pvt. Ltd.	50.00	50.00	–	–	50.00	50.00

# Schedules forming part of the Accounts

## Schedule - 20 | NOTES FORMING PART OF ACCOUNTS (Contd..)

Nature of Transactions	(Rs. in crore)					
	Subsidiary/Associates Companies		Key Management Personnel		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
E) Loans and Advances						
Zeppelin Mobile Systems India Ltd.	47.92	11.20	—	—	47.92	11.20
Zeppelin Mobile Systems India Ltd. (Advance Subscription Money)	35.00	—	—	—	35.00	—
Sintex Holdings B.V.	—	109.35	—	—	—	109.35
Bright AutoPlast Pvt. Ltd.	72.20	25.80	—	—	72.20	25.80
Sintex International Ltd.	42.00	—	—	—	42.00	—
BVM Finance Pvt. Ltd. (Advance Subscription Money)	—	8.69	—	—	—	8.69
F) Guarantee Given						
Bright AutoPlast Pvt. Ltd.	70.00	100.00	—	—	70.00	100.00
Sintex France SAS	161.95	151.42	—	—	161.95	151.42

### 19) Leases

#### Operating Lease

Lease rentals charged to revenue for lease agreements for the right to use following assets are :

Particulars	2008-09	2007-08
Office premises	2.67	2.24
Residential Flats for accommodation of employees	—	0.01

The lease agreements are executed for a period ranging between 11 to 96 months with a renewal clause and also provide for termination at will by either party by giving a prior notice.

20) As per Accounting Standards (AS) 17 "Segment Reporting", segment information has been provided in the Notes to Consolidated Financial Statements.

### Signature to Schedule 1 to 20

As per our attached report of even date  
Rahul A. Patel      Managing Director  
Amit D. Patel      Managing Director  
S. B. Dangayach      Managing Director  
For Deloitte Haskins & Sells  
Chartered Accountants

Ramnikbhai H. Ambani      Director  
Ashwin Lalbhai Shah      Director  
Dr. Rajesh B. Parikh      Director  
Dr. Lavkumar Kantilal      Director  
Rooshikumar V. Pandya      Director  
Indira J. Parikh      Director

Gaurav J. Shah  
Partner  
Membership No. 35701

Ahmedabad  
Date : May 9, 2009

L. M. Rathod  
Company Secretary  
Ahmedabad  
Date : May 9, 2009

# Balance Sheet Abstract

## Balance Sheet Abstract and Company's General Business Profile

### i) Registration Details

Registration No.	L17110GJ1931PLC000454		
Balance Sheet Date	31.03.2009	State Code	04

### ii) Capital Raised during the year (Rs. in Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Qualified Institutions Placement	NIL
Conversion of FCCBs\Warrants into Equity Shares	NIL	Convertible Share Warrants	NIL

### iii) Position of Mobilisation and Deployment of Funds (Rs. in Thousands)

Total Liabilities	42778816.21	Total Assets	42778816.21
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#### Sources of Funds

Paid up Capital	270990.87	Reserves & Surplus	16006335.00
Secured Loans	7919856.37	Unsecured Loans	11463700.00
Convertible Share Warrants	NIL	Deferred Tax Liability	1306906.74

#### Application of Funds

Net Fixed Assets	14186653.52	Investments	6378913.53
Net Current Assets	16400494.93	Misc. Expenditure	1726.99

### iv) Performance of the Company (Rs. in Thousands)

Turnover including other income	19781354.42	Total Expenditure	16364754.15
Profit before Tax	3416600.27	Profit after Tax	2667100.43
Earnings Per Share -Basic (Rs.)-	19.68	Dividend Per Share (Rs.)	Rs. 1.1 Per Share
Earnings Per Share -Diluted (Rs.)	19.68		

### v) Generic Name of Principal Product of the Company

Item Code No.(ITC Code)	5208.59
Product Description	Fabrics
Item Code No.(ITC Code)	5509.59
Product Description	Yarn
Item Code No. (ITC Code)	3925.90
Product Description	Thermoplastic Powder Moulding & Extruded Thermoplast Products

Rahul A. Patel	Managing Director	Ramnikbhai H. Ambani	Director
Amit D. Patel	Managing Director	Ashwin Lalbhai Shah	Director
S. B. Dangayach	Managing Director	Dr. Rajesh B. Parikh	Director
		Dr. Lavkumar Kantilal	Director
		Rooshikumar V. Pandya	Director
		Indira J. Parikh	Director

Ahmedabad

Date : May 9, 2009

L. M. Rathod

Company Secretary

# Section 212

## STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

(Rs. in crore)

Sr. No.	Name of Subsidiary Company	Reporting period	Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in subsidiaries	Turnover	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	Zeppelin Mobile Systems India Ltd.	31.03.2009	35.60	29.37	161.99	161.99	–	119.62	12.29	4.79	7.50	0.35
2	Bright AutoPlast Pvt. Ltd.	31.03.2009	55.01	45.20	295.55	295.55	–	194.97	1.77	0.96	0.81	–
3	Sintex Holdings B.V.	31.12.2008	352.71	2.14	354.86	354.86	–	–	2.53	–	2.53	–
4	Sintex Holding USA, Inc.	31.12.2008	90.84	1.43	104.17	104.17	–	–	(0.42)	(0.30)	(0.11)	–
5	Wausauke Composites Inc.	31.12.2008	2.13	21.46	64.30	64.30	–	123.91	(0.06)	(0.93)	0.87	–
6	Wausauke Composites Owosso, Inc.	31.12.2008	19.11	5.09	31.75	31.75	–	81.26	7.56	2.80	4.76	–
7	WCI Wind Turbine Components, LLC	31.12.2008	–	(2.52)	4.91	4.91	–	16.11	(3.92)	(1.45)	(2.47)	–
8	Sintex Austria B.V.	31.12.2008	25.94	–	25.95	25.95	25.88	–	–	–	–	–
9	Amarange Inc.	31.12.2008	28.32	(0.08)	28.23	28.23	–	–	(0.08)	–	(0.08)	–
10	Sintex France SAS	31.12.2008	140.10	2.90	303.25	303.25	–	–	0.49	(4.22)	4.71	–
11	Nief Plastic Holding SAS	31.12.2008	6.82	10.25	17.36	17.36	–	1.23	1.84	–	1.84	0.48
12	Nief Plastic SAS	31.12.2008	109.30	68.18	297.29	297.29	–	296.22	10.35	(0.28)	10.63	2.50
13	NP Savoie SAS	31.12.2008	8.51	10.76	19.27	19.27	–	70.72	5.46	0.09	5.37	1.36
14	Thermodole SAS	31.12.2008	6.82	15.01	42.23	42.23	–	79.82	6.06	2.03	4.03	1.71
15	NP Vosges SAS	31.12.2008	6.82	14.78	55.57	55.57	–	115.51	4.71	1.69	3.02	1.71
16	Siroco SAS	31.12.2008	3.41	3.99	17.79	17.79	–	44.27	1.91	0.64	1.28	–
17	NP Nord SAS	31.12.2008	17.06	(22.54)	17.06	17.06	–	40.98	(0.86)	–	(0.86)	–
18	Segaplast SAS	31.12.2008	2.54	9.48	22.12	22.12	–	41.56	5.44	1.10	4.34	0.70
19	AIP SAS	31.12.2008	3.11	31.67	80.13	80.13	–	92.86	14.36	5.10	9.26	1.72
20	NP Hungaria Kft	31.12.2008	13.64	10.52	66.04	66.04	–	90.22	5.37	1.19	4.18	1.71
21	NP Slovakia SRO	31.12.2008	6.72	1.89	21.70	21.70	–	47.18	1.53	0.51	1.02	–
22	NP Tunisia SARL	31.12.2008	11.63	4.80	53.21	53.21	–	38.99	3.57	–	3.57	–
23	Segaplast Maroc SA	31.12.2008	1.88	3.92	13.98	13.98	–	17.88	2.16	0.57	1.59	–
24	Sintex Industries U.K. Limited	31.12.2008	17.58	(0.68)	10.43	10.43	–	–	(0.46)	–	(0.46)	–
25	Owosso Real Estate LLC	31.12.2008	0.94	0.11	4.56	4.56	–	–	0.16	0.06	0.10	–
26	Cuba City Real Estate LLC	31.12.2008	0.34	(0.03)	4.04	4.04	–	–	(0.05)	(0.02)	(0.03)	–
<b>TOTAL</b>			<b>966.88</b>	<b>267.12</b>	<b>2117.73</b>	<b>2117.73</b>	<b>25.88</b>	<b>1513.31</b>	<b>81.72</b>	<b>14.32</b>	<b>67.40</b>	<b>12.22</b>

The Exchange rates have been considered as on closure of the financial year of respective subsidiary which are as under -

1 Euro = Rs. 68.22, 1 USD = Rs. 48.45, 1 SGD = Rs. 34.48, 1 SKK = Rs. 2.24, 1 MAD Dirhams = Rs. 6.25, 1 GBP = Rs. 70.01

Rahul A. Patel	Managing Director	Ramnikbhai H. Ambani	Director
Amit D. Patel	Managing Director	Ashwin Lalbhai Shah	Director
S. B. Dangayach	Managing Director	Dr. Rajesh B. Parikh	Director
		Dr. Lavkumar Kantilal	Director
		Rooshikumar V. Pandya	Director
		Indira J. Parikh	Director

Ahmedabad

Date : May 9, 2009

L. M. Rathod

Company Secretary

# Auditor's Report on Consolidated Financial Statement

To the Board of Directors,  
Sintex Industries Limited

1. We have audited the attached Consolidated Balance Sheet of **Sintex Industries Limited** ("the Company") and its subsidiaries (collectively referred to as "the Group"), as at March 31, 2009 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information of the entities of the Group. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our opinion, we draw attention to Note 4 of Schedule 20 to these financial statements, regarding the Scheme of Arrangement (the "Scheme") approved by the Honourable High Court of Gujarat, as per which Scheme, the Company has earmarked Rs. 200 crore from Securities Premium Reserve to International Business Development Reserve Account (the "IBDR") and has adjusted against the earmarked balance of IBDR, Rs. 130.73 crore being expenses of the nature as specified under the Scheme. The said accounting treatment has been followed as prescribed under the Scheme. The relevant Indian Generally Accepted Accounting Principles, in absence of such Scheme, would not permit the adjustment of expenses against the Securities Premium Reserve / IBDR. Had the Company accounted for these expenses as per Generally Accepted Accounting Principles in India, instead of accounting for them as per the Scheme, the balance of Securities Premium Reserve / IBDR would have been higher and Profit after tax would have been lower by Rs. 130.73 crore.
4. We did not audit the financial statements of three subsidiaries, whose financial statements/ consolidated financial statements reflect total assets of Rs. 707.87 crore as at March 31, 2009, total revenue of Rs. 1003.91 crore and cash outflows amounting to Rs. 1.72 crore for the year ended on that date as considered in the Consolidated

Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of these subsidiaries, is based solely on the reports of such other auditors.

5. We have relied on the unaudited financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 90.39 crore as at March 31, 2009, total revenue of Rs. 0.38 crore and cash inflows amounting to Rs. 41.22 crore for the year ended on that date as considered in the Consolidated Financial Statements. These unaudited financial statements have been compiled and certified by the management and have not been subject to audit by independent auditors. Our opinion, in so far as it relates to the amounts included in respect of the subsidiary is based solely on these financial statements certified by the management.
6. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
7. Based on our audit as aforesaid and on consideration of reports of other auditors on the separate financial statements and on the other financial information of the components and accounts certified by the management as explained in paragraph 5 above and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2009;
  - b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
  - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells  
Chartered Accountants

Ahmedabad  
Date: May 9, 2009

Gaurav J. Shah  
Partner  
Membership No. 35701

# Consolidated Balance Sheet As at March 31, 2009

(Rs. in crore)

As at	Schedules	31.03.2009	31.03.2008
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	27.10	27.10
Convertible Share Warrants		—	47.80
Reserves & Surplus	2	1,677.82	1,464.28
			1,704.92
			1,539.18
<b>Minority Interest</b>		26.32	20.32
<b>Loan Funds</b>			
Secured Loans	3	1,052.65	938.16
Unsecured Loans	4	1,243.77	988.10
			2,296.42
			1,926.26
<b>Deferred Tax Liability</b>		173.13	119.11
<b>Total</b>		4,200.79	3,604.87
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	2,378.80	1,721.18
Less: Depreciation		636.63	518.47
Net Block		1,742.17	1,202.71
Capital Work in Progress		237.71	254.98
			1,979.87
			1,457.69
<b>Goodwill on Consolidation</b>		219.82	184.48
<b>Deferred Tax Asset</b>		31.17	12.19
<b>Investment</b>	6	181.89	325.22
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	377.10	302.22
Sundry Debtors	8	809.39	793.76
Cash & Bank Balances	9	1,168.50	1,371.25
Loans & Advances	10	367.59	161.49
			2,722.58
			2,628.72
<b>Less: Current Liabilities &amp; Provisions</b>	11	934.76	1,004.58
<b>Net Current Assets</b>		1,787.82	1,624.14
<b>Miscellaneous Expenditure</b>			
(To the extent not written off or adjusted)	12	0.21	1.15
<b>Total</b>		4,200.79	3,604.87
<b>Significant Accounting Policies</b>	19		
<b>Notes on Accounts</b>	20		

As per our attached  
report of even date

For Deloitte Haskins & Sells  
Chartered Accountants

Gaurav J. Shah  
Partner  
Membership No. 35701

Ahmedabad  
Date : May 9, 2009

Rahul A. Patel      *Managing Director*  
Amit D. Patel      *Managing Director*  
S. B. Dangayach      *Managing Director*

Ramnikbhai H. Ambani      *Director*  
Ashwin Lalbhai Shah      *Director*  
Dr. Rajesh B. Parikh      *Director*  
Dr. Lavkumar Kantilal      *Director*  
Rooshikumar V. Pandya      *Director*  
Indira J. Parikh      *Director*

L. M. Rathod  
*Company Secretary*  
Ahmedabad  
Date : May 9, 2009

# Consolidated Profit and Loss Account For the year ended March 31, 2009

For the year ended		Schedules	(Rs. in crore)	
			31.03.2009	31.03.2008
INCOME				
Gross Sales			3,200.61	2,438.67
Less: Excise Duty and Sales Tax			136.73	164.44
Net Sales			3,063.88	2,274.23
Other Income	13		156.30	60.07
Increase/(Decrease) in Stock of Finished and Process Stock	14		36.87	21.52
				3,257.05
				2,355.82
EXPENDITURE				
Raw Materials Consumed	15		1,652.02	1,321.56
Employees' Emoluments	16		414.23	209.09
Manufacturing and Other Expenses	17		584.48	382.40
Interest and Finance Charges	18		81.95	64.32
Depreciation and Amortisation			114.39	76.51
				2,847.07
				2,053.88
Profit before Tax				409.98
Provision for Taxation				301.94
Current Tax			43.05	42.80
Deferred Tax			35.04	25.57
MAT Credit			–	(0.03)
Fringe Benefit Tax			2.13	1.42
				80.22
				329.76
Excess/(Short) Provision for Taxation in earlier years (Net)				(2.39)
Profit after Tax before Minority Interest				327.37
Less: Minority Interest				2.25
Profit after Tax				325.12
Balance brought forward from previous year				470.82
Profit available for Appropriations				795.94
APPROPRIATIONS				512.92
Proposed Dividend - Equity Shares				15.09
Tax on Dividend				2.56
General Reserve				31.00
Debenture Redemption Reserve				1.17
Balance carried to Balance Sheet				746.12
<b>Total</b>				<b>795.94</b>
Earnings per share (Refer Note 13 of Schedule 20)				512.92
Basic (in Rs.)				24.00
Diluted (in Rs.)				24.00
Significant Accounting Policies	19			19.54
Notes on Accounts	20			19.54

As per our attached  
report of even date

Rahul A. Patel      *Managing Director*  
Amit D. Patel      *Managing Director*  
S. B. Dangayach      *Managing Director*

For Deloitte Haskins & Sells  
Chartered Accountants

Gaurav J. Shah  
*Partner*  
Membership No. 35701

Ahmedabad  
Date : May 9, 2009

Ramnikbhai H. Ambani      *Director*  
Ashwin Lalbhai Shah      *Director*  
Dr. Rajesh B. Parikh      *Director*  
Dr. Lavkumar Kantilal      *Director*  
Rooshikumar V. Pandya      *Director*  
Indira J. Parikh      *Director*

L. M. Rathod  
*Company Secretary*  
Ahmedabad  
Date : May 9, 2009

## Consolidated Cash Flow Statement For the year ended March 31, 2009

(Rs. in crore)

For the year ended	31.03.2009	31.03.2008
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	409.98	301.94
<i>Adjustments for :</i>		
Profit on Sale of Fixed Assets & Investments	(19.39)	(13.35)
Unrealised Foreign Exchange (Gain)/Loss	46.23	20.44
Interest Income	(64.51)	(14.02)
Depreciation	114.39	76.51
Expenses relating to FCCBs / Debenture Issue	(11.64)	–
Interest and Financial Charges	81.95	64.32
Provision for Doubtful Debts and Advances	1.63	0.94
Bad debt written off	0.24	–
Employees Compensation Expenses	9.27	2.73
Dividend Income	(1.80)	(1.84)
Miscellaneous Expenditure written off	1.06	1.05
	157.43	136.78
<b>Operating Profit before Working Capital Changes</b>	<b>567.41</b>	<b>438.72</b>
<i>Adjustments for :</i>		
Trade & Other receivables	(238.36)	(655.70)
Inventories	(74.88)	(151.64)
Trade Payables	(38.19)	469.05
	(351.43)	(338.29)
<b>Cash generated from operations</b>	<b>215.98</b>	<b>100.43</b>
Direct Taxes (Paid) / Refund (Net)	(68.35)	(41.82)
<b>Net Cash from Operating Activities - (A)</b>	<b>147.63</b>	<b>58.61</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(654.02)	(940.62)
Sale of Fixed Assets	3.70	1.66
Investment in Subsidiary and others including Share Application Money	(8.69)	(51.27)
Sale of Long Term Investment	–	3.23
Expenses adjusted in IBDR	(130.73)	–
Interest Received	64.51	14.02
Dividend Received	1.80	1.84
<b>Net Cash used in Investing Activities - (B)</b>	<b>(723.43)</b>	<b>(971.14)</b>

## **Cash Flow Statement (Contd..)**

For the year ended	31.03.2009	31.03.2008	(Rs. in crore)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Borrowings:			
From Term Borrowings	442.53		562.83
From FCCB	–		885.21
From Unsecured	9.68		–
Interest Paid	(99.28)		(92.21)
Repayment of Borrowings	(331.49)		(54.52)
Increase in Deferred Revenue Expenditure	(0.01)		–
Proceeds from Equity Share Capital/Warrants (including Premium)	–		759.53
Dividend Paid	(16.02)		(12.61)
<b>Net Cash used in Financing Activities - (C)</b>	<b>5.41</b>		<b>2048.23</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(570.39)</b>		<b>1,135.70</b>
Add: Cash & Cash Equivalents-Opening Balance	1714.41		578.71
<b>Cash &amp; Cash Equivalents-Closing Balance</b>	<b>1144.02</b>		<b>1714.41</b>

### Notes:

For the year ended		31.03.2009	31.03.2008
<b>1 Cash and Cash Equivalents include:</b>			
Cash on hand		0.21	0.18
<b>With Banks:</b>			
in Current Accounts		128.70	153.34
in Fixed Deposit [Including Rs. 831.85 crore (previous year Rs. 894.64 crore) unutilised amount of FCCB issue] [Out of above Rs. 157.44 crore (previous year Nil) under lien to banks]		1039.59	1217.73
		1168.29	1371.07
Short Term Investments		170.11	322.13
Cash and Cash Equivalents		1338.61	1693.38
Effect of Foreign Exchange Rate Changes		(194.59)	21.03
<b>Cash and Cash equivalents as restated</b>		<b>1144.02</b>	<b>1714.41</b>

2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

3 The previous year's figures have been regrouped wherever necessary to make them comparable with this year's figures.

As per our attached report of even date **Rahul A. Patel** *Managing Director* **Amit D. Patel** *Managing Director* **S. B. Dangavach** *Managing Director*

Ramnikhbhai H. Ambani	Director
Ashwin Lalbhai Shah	Director
Dr. Rajesh B. Parikh	Director
Dr. Lavkumar Kantilal	Director
Rooshikumar V. Pandya	Director
Indira J. Parikh	Director

For Deloitte Haskins & Sells  
*Chartered Accountants*

Gaurav J. Shah

## Partner

Membership No. 35701

L. M. Rathod  
*Company Secretary*

## Ahmedabad

Date : May 9, 2009

Ahmedabad  
Date : May 9, 2009

## Schedules forming part of the Consolidated Balance Sheet

(Rs. in crore)

As at	31.03.2009	31.03.2008
<b>Schedule - 1   SHARE CAPITAL</b>		
<b>Authorised</b>		
25,00,00,000 (previous year 25,00,00,000) Equity Shares of Rs. 2/- each	50.00	50.00
15,00,000 (previous year 15,00,000) Preference Shares of Rs. 100/- each	15.00	15.00
<b>Total</b>	<b>65.00</b>	<b>65.00</b>
<b>Issued</b>		
13,65,11,333 (previous year 13,65,11,333) Equity Shares of Rs. 2/- each	27.30	27.30
<b>Total</b>	<b>27.30</b>	<b>27.30</b>
<b>Subscribed &amp; Paid Up</b>		
13,64,95,433 (previous year 13,64,95,433) Equity Shares of Rs. 2/- each	27.30	27.30
Less: Amount recoverable from ESOP Trust (face value of Equity Shares allotted to the Trust)	0.20	0.20
<b>Total</b>	<b>27.10</b>	<b>27.10</b>

**Notes:**

**Of the above Shares:**

- i) 1,25,000 Equity Shares were issued as fully paid-up pursuant to contract without payment being received in cash.
- ii) 74,55,650 Equity Shares were allotted as fully paid-up Bonus Shares by capitalising General Reserve, Securities Premium Reserve and Capital Reserve.
- iii) 40,16,370 Equity Shares were allotted on April 15, 1993 as fully paid-up pursuant to conversion of 16.5% Partly Convertible Debentures.

<b>Schedule - 2   RESERVES AND SURPLUS</b>			
<b>Capital Reserve</b>			
Balance as per last Balance Sheet	—	—	—
Add: Forfeiture of upfront amount of Convertible Share Warrants (Refer Note 5 of Schedule 20)	47.80	47.80	—
<b>Securities Premium Reserve</b>			
Balance as per last Balance Sheet	885.12	280.14	
Add: On shares issued upon exercise of conversion of Warrants, under QIP issue and conversion of FCCBs	—	896.11	
Add: On shares issued to ESOP Trust	36.01	36.01	
Less: Expenses relating to FCCBs/Debenture issue	11.64	27.96	
Less: Premium payable on redemption of outstanding FCCBs	—	263.17	
Less: Amount recoverable from ESOP Trust (Premium on equity shares allotted to the Trust)	36.01	36.01	
Less: Transferred during the year to International Business Development Reserves Account (Refer Note 4 of Schedule 20)	200.00	673.48	885.12
<b>Capital Redemption Reserve</b>			
Balance as per last Balance Sheet	15.05	15.05	
<b>Debenture Redemption Reserve</b>			
Balance as per last Balance Sheet	1.32	2.07	
Add: Transferred from Profit and Loss Account	1.17	—	
Less: Transferred to General Reserve	0.75	0.75	
	1.74	1.32	
<b>International Business Development Reserve Account ("IBDR")</b>			
(Refer Note 4 of Schedule 20)			
Transferred during the year from Securities Premium Reserve	200.00	—	
Less: Adjusted against investment in a subsidiary	130.73	69.27	—
<b>General Reserve</b>			
Balance as per last Balance Sheet	77.72	50.92	
Add: Transferred from Debenture Redemption Reserve	0.75	0.75	
Add: Transferred from the Profit and Loss Account	31.00	26.00	
Less: Adjustment for provision for employee benefits net of deferred tax	—	0.05	
	109.47	77.72	
<b>Employees Stock Option Outstanding</b>			
Balance as per last Balance Sheet	2.73	—	
Add: Amortisation during the year for Employee Compensation Expenses	9.27	2.73	
	12.00	11.52	
<b>Foreign Currency Translation Reserve</b>			
Balance of the Profit and Loss Account	746.12	470.82	
<b>Total</b>	<b>1,677.82</b>	<b>1,464.28</b>	

## Schedules forming part of the Consolidated Balance Sheet

(Rs. in crore)

As at	Note	31.03.2009	31.03.2008
<b>Schedule - 3 SECURED LOANS</b>			
A. Debentures		252.25	5.25
B. From Banks:			
a) Cash Credit Accounts		51.43	184.36
in Rupees			
b) Term Loans	1	508.49	524.21
in Rupees		170.14	193.62
in Foreign Currency			
C. From Financial Institutions			
Term Loans			
a) in Rupees	1	62.86	19.29
b) in Foreign Currency		6.56	10.30
D. From Others		0.92	1.13
<b>Total</b>		<b>1,052.65</b>	<b>938.16</b>

Note:

1) Out of above loans, amount payable within 12 months is Rs. 84.84 crore (previous year Rs. 89.44 crore).

<b>Schedule - 4 UNSECURED LOANS</b>			
Zero Coupon Foreign Currency Convertible Bonds		1,146.38	898.85
From Companies		2.04	7.96
From Banks		73.11	58.28
From Others		22.24	23.01
<b>Total</b>		<b>1,243.77</b>	<b>988.10</b>

Note: Out of above loans, amount payable within 12 months is Rs. Nil (previous year Rs. Nil).

Particulars	GROSS BLOCK (AT COST)					DEPRECIATION AND AMORTISATION					NET BLOCK	
	As at 01.04.2008	Acquired on Acquisition (Note 4)	Additions	On Sales / Adjustments	As at 31.03.2009	Upto 01.04.2008	Acquired on Acquisition (Note 5)	For the year	On Sales / Adjustments	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
1	2	3	4	5	6	7	8	9	10	11	12	13
<b>Tangible Assets</b>												
Land	42.51	1.31	8.35	–	52.17	–	–	–	–	–	52.17	42.51
Buildings	201.80	9.36	42.73	3.72	250.17	46.45	2.13	10.22	1.62	57.18	192.99	155.35
Plant & Machinery	1304.74	37.04	542.49	8.16	1876.11	429.46	10.81	87.38	7.34	520.31	1355.80	875.28
Furniture, Fixture & Office equipments	38.60	2.64	4.46	0.38	45.32	21.86	1.15	4.10	0.37	26.74	18.58	16.74
Vehicles	18.00	0.05	2.73	1.35	19.43	10.08	0.02	2.61	0.99	11.72	7.71	7.92
Bore-well	0.80	–	–	–	0.80	0.36	–	0.09	–	0.45	0.35	0.44
<b>Total Tangible Assets</b>	<b>1606.45</b>	<b>50.40</b>	<b>600.76</b>	<b>13.61</b>	<b>2244.00</b>	<b>508.21</b>	<b>14.11</b>	<b>104.40</b>	<b>10.32</b>	<b>616.40</b>	<b>1627.60</b>	<b>1098.24</b>
<b>Intangible Assets</b>												
Technical Know how	15.11	–	0.75	–	15.86	2.02	0.05	0.97	0.05	2.99	12.87	13.09
Computer Software	17.93	1.12	2.71	0.83	20.93	6.02	0.73	3.10	0.75	9.10	11.83	11.91
Non Compete Fees	5.11	–	–	0.21	4.90	0.32	–	1.67	–	1.99	2.91	4.79
Goodwill	76.58	15.04	1.49	–	93.11	1.90	–	4.25	–	6.15	86.96	74.68
<b>Total Intangible Assets</b>	<b>114.73</b>	<b>16.16</b>	<b>4.95</b>	<b>1.04</b>	<b>134.80</b>	<b>10.26</b>	<b>0.78</b>	<b>9.99</b>	<b>0.80</b>	<b>20.23</b>	<b>114.57</b>	<b>104.47</b>
<b>Total Assets</b>	<b>1721.18</b>	<b>66.56</b>	<b>605.71</b>	<b>14.65</b>	<b>2378.80</b>	<b>518.47</b>	<b>14.89</b>	<b>114.39</b>	<b>11.12</b>	<b>636.63</b>	<b>1742.17</b>	<b>1202.71</b>
Previous Year	888.71	373.24	469.65	10.42	1721.18	247.79	203.71	76.51	9.55	518.47	1202.71	254.98
Capital work in progress											237.71	254.98

Notes:

- 1) Cost of land includes Rs. 0.07 crore for land held in a co-operative society at Daman. The Company holds 3 Shares of aggregate face value of Rs. 3000/- in the co-operative society as per the bye-laws of the society.
- 2) Addition to Fixed Assets includes capitalisation of borrowing costs pertaining to qualifying assets of Rs. 21.42 crore (previous year Rs. 24.29 crore).
- 3) Addition to Fixed Assets during the year includes Rs. 2.98 crore for adjustment on account of Foreign Subsidiary Currency Realignment.
- 4) Relates to Fixed Assets of new subsidiaries.
- 5) Relates to Accumulated Depreciation of new subsidiaries.

## Schedules forming part of the Consolidated Balance Sheet

(Rs. in crore)

	Face Value Rs.	As at 31.03.2009		As at 31.03.2008	
		Nos./Units	Amount	Nos./Units	Amount
<b>Schedule - 6 INVESTMENTS (AT COST)</b>					
i) Long Term Investments					
Non-Trade , Quoted					
In Equity Shares (Fully paid up)					
Dena Bank	10	30,200	0.09	30,200	0.09
Trade, Unquoted					
In others :					
Sintex International Ltd.	10	900,000	3.00	900,000	3.00
BVM Finance Pvt. Ltd.	10	1738000	8.69	0.00	0.00
ii) Current Investments					
Non-Trade, Unquoted					
Mutual funds					
ABN Amro Intrval Fund	10	-	-	9881786	10.09
AIG India Treasury Plus	10	-	-	10310705	10.32
AIG Short Term Fund Insti. Growth	1000	-	-	250274	25.06
Birla Sunlife liquid Plus Insti. Growth	10	-	-	19867176	30.08
DBS Chola freedom income STP	10	-	-	229137	0.25
DWS Money Plus Fund Growth	10	-	-	17986371	20.08
HDFC FMP 90 D (Jan.,08)	10	-	-	10214400	10.21
HDFC Short Term Plan	10	-	-	3655559	5.15
ICICI Prudential Flexible Income	10	-	-	23658747	25.02
ICICI Prudential Flexible Income Growth	10	-	-	16865454	25.00
ICICI Prudential interval Fund II Qrtly.	10	-	-	10000000	10.00
ING Liquid Plus Fund Insti. Growth	10	-	-	18588368	20.03
ING Vyasa F.M. Fund Sr. 22	10	-	-	20650776	20.65
Kotak Flexi Debt Scheme Growth	10	-	-	19915875	25.00
Principal Income Fund	1000	-	-	1151298	0.00
Principal Liquid Plus Fund Growth	10	-	-	19547802	20.08
Reliance Monthly Interval Fund	10	-	-	25005139	25.02
SBI Debt Fund 30D Growth	10	-	-	10059608	10.06
Templeton Short Term Plan	1000	-	-	86043	10.00
UTI Liquid Plus Fund Insti. Growth	1000	-	-	186541	20.03
Birla Sunlife Short Term Fund Growth	10	6183427	6.26	-	-
Birla Sunlife Short Term Fund-Retail-Growth	10	605784	0.94	-	-
DWS Fixed Term Fund Series 49					
Regular Growth	10	20327837	20.33	-	-
ICICI Prudential flexible Income Growth	10	18553739	30.05	-	-
Kotak Flexi Debt Scheme Institutional Growth	10	15717269	16.71	-	-
Reliance Medium Term Fund Growth	10	5613982	10.14	-	-
SBI SHF Ultra Short Term Fund					
Institutional Plan	10	8730117	10.00	-	-
UTI Treasury Advantage Fund-					
Institutional Plan	1100	171715	20.08	-	-
DSP Black Rock Fund Managers Limited- PMS	1000000	300	30.00	-	-
ADG Absolute Diversified Growth					
Fund Limited	USD 100	50,000	25.60		
<b>TOTAL</b>			<b>181.89</b>		<b>325.22</b>
Quoted Investments	Cost		0.09		0.09
	Market Value	0.10		0.15	
Unquoted Investments	Cost		11.69		3.00
Mutual funds	Cost		170.11		322.13
	Repurchase value		174.14		328.41

## Schedules forming part of the Consolidated Balance Sheet

(Rs. in crore)

As at	31.03.2009	31.03.2008
<b>Schedule - 7 INVENTORIES</b>		
Stores and Spares	45.79	25.90
Raw Materials	96.88	84.52
Finished Goods	137.27	116.42
Process Stock	97.16	75.38
<b>Total</b>	<b>377.10</b>	<b>302.22</b>

<b>Schedule - 8 SUNDRY DEBTORS (Unsecured)</b>			
Considered Good		809.39	793.76
Considered Doubtful	7.65		4.14
Less : Provision for Doubtful Debts	7.65		4.14
		—	—
<b>Total</b>		<b>809.39</b>	<b>793.76</b>

<b>Schedule - 9 CASH AND BANK BALANCES</b>			
Cash on hand [including cheques on hand and remittances in transit Rs. Nil crore (Previous year Rs. 0.02 crore)]		0.21	0.18
With Banks :			
in Current Accounts	128.70		153.34
in Fixed Deposits	1,039.59		1,217.73
[including Rs. 831.85 crore (previous year Rs. 894.64 crore) unutilised amount of FCCB issue]			
		1,168.29	1,371.07
(Out of above, Fixed Deposits of Rs.157.44 crore (previous year Nil) under lien to banks)			
<b>Total</b>		<b>1,168.50</b>	<b>1,371.25</b>

<b>Schedule - 10 LOANS AND ADVANCES</b>			
(Unsecured, considered good except stated otherwise)			
Advances recoverable in cash or in kind or for value to be received		330.47	159.88
Loan to Employee Welfare Trust		4.09	—
Advance Payment of Tax and Tax Deducted at Source (Net of Provision)		32.11	—
Balance with Central Excise Department		0.92	1.61
		367.59	161.49
Considered Doubtful	0.11		0.11
Less : Provision for doubtful loans and Advances	0.11	—	0.11
<b>Total</b>		<b>367.59</b>	<b>161.49</b>

## Schedules forming part of the Consolidated Balance Sheet

(Rs. in crore)

As at		31.03.2009	31.03.2008
<b>Schedule - 11</b>	<b>CURRENT LIABILITIES AND PROVISIONS</b>		
<b>A. Current Liabilities</b>			
Acceptances	51.76		213.63
Sundry Creditors			
- Due to Micro and Small Enterprises	0.93		2.56
- Others	493.85		366.30
Investor Education and Protection Fund			
- Unclaimed Dividend	0.31		0.29
- Unclaimed Debenture Installment & Interest	0.18		0.37
(These do not include any amounts due and outstanding to be credited to "Investor Education and Protection Fund")			
Other Current Liabilities	10.00		20.00
Interest accrued but not due	9.45		5.35
		566.48	608.50
<b>B. Provisions</b>			
Provision for Leave Salary	5.51		4.76
Provision for Gratuity	5.72		4.88
Other Provisions	76.23		105.04
Premium payable on redemption of outstanding FCCBs	263.17		263.17
Provision for Taxation (Net of Advance Tax and TDS)	—		2.13
Proposed Dividend	15.09		13.73
Tax on Dividend	2.56		2.37
		368.28	396.08
<b>Total</b>		934.76	1,004.58

<b>Schedule - 12</b>	<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)			
Shares Issue Expenses			
Opening Balance	1.15		2.12
Add: Incurred during the year	0.12		0.08
		1.27	2.20
Less : Amount amortised			1.06
<b>Total</b>		0.21	1.15

## Schedules forming part of the Consolidated Profit and Loss Account

	(Rs. in crore)	
For the year ended	31.03.2009	31.03.2008
<b>Schedule - 13 OTHER INCOME</b>		
Interest (Gross)*	64.51	14.02
Dividend	1.80	1.84
Rent	0.77	4.15
Profit on Sale of Fixed Assets (Net)	0.17	0.79
Profit on Sale of Investments (Net)	19.22	12.56
Excess Provision for Expenses of earlier years written back	1.33	7.74
Provision for Doubtful Debts written back	–	0.49
Foreign Exchange Gain	–	9.73
Miscellaneous Income	68.50	8.75
*Note: Tax deducted at source from Interest Rs. 6.32 crore (previous year Rs. 2.71 crore)		
<b>Total</b>	<b>156.30</b>	<b>60.07</b>

<b>Schedule - 14 INCREASE/(DECREASE) IN STOCK OF FINISHED AND PROCESS STOCK</b>			
<b>Closing Stock</b>			
Finished Goods	137.27		116.42
Process Stock	97.16		75.38
		234.43	191.80
<b>Less: Opening Stock</b>			
Finished Goods	116.42		55.32
Process Stock	75.39		46.37
		191.81	101.69
Opening Stock of subsidiaries acquired during the year		5.75	68.59
<b>Total</b>		<b>36.87</b>	<b>21.52</b>

<b>Schedule - 15 RAW MATERIALS CONSUMED</b>		
Cotton, Yarn and other Fibres	59.35	66.77
Plastic Resins, Granules & Powder etc.	869.57	602.90
Bought-out goods consumed	723.10	651.89
<b>Total</b>	<b>1,652.02</b>	<b>1,321.56</b>

<b>Schedule - 16 EMPLOYEES' EMOLUMENTS</b>		
Payments to and Provisions for Employees		
Salaries, Wages, Bonus and other payments	321.50	165.46
Contribution to Provident, Superannuation and Gratuity Funds	7.69	6.30
Welfare Expenses	75.77	34.60
Employees Compensation Expenses	9.27	2.73
<b>Total</b>	<b>414.23</b>	<b>209.09</b>

## Schedules forming part of the Consolidated Profit and Loss Account

For the year ended		31.03.2009	31.03.2008 (Rs. in crore)
<b>Schedule - 17   MANUFACTURING AND OTHER EXPENSES</b>			
Stores & Spare Parts Consumed		149.80	110.65
Site Development Expenses		15.94	7.11
Power & Fuel		100.75	72.38
Rent		24.75	15.03
Repairs:			
Buildings	1.32		1.51
Plants & Machinery	21.49		11.12
Others	3.46		2.65
		26.27	15.28
Excise Duty provided on stocks		(1.01)	(1.22)
Insurance		8.18	6.03
Rates & Taxes		18.02	9.09
Stationery, Printing, Postage, Telegram and Advertisement etc.		20.46	15.94
Directors' Fees and Travelling Expenses		0.50	2.81
[including Rs. 0.46 crore (Previous year Rs. 0.52 crore) for travelling and halting allowances]			
Audit Fees		0.49	0.26
Commission and Brokerage on Sales		31.82	24.85
General Charges		157.09	102.13
Charity & Donation		0.08	0.07
Foreign Exchange Loss		28.41	–
Provision for Doubtful Debts and Advances		1.63	0.94
Bad Debt Written off		0.24	–
Misc. Expenditure Written off		1.06	1.05
<b>Total</b>		<b>584.48</b>	<b>382.40</b>

### Notes:

	2008-09	2007-08
1. General Charges includes		
a) Payments to Auditors in other capacity :		
i) To affiliated firms	0.38	0.09
ii) For other services (including certification etc.)	0.04	0.10
iii) For certification work required to be done by the statutory auditors	0.02	0.02
iv) For Expenses	0.03	0.01
<b>Total</b>	<b>0.47</b>	<b>0.22</b>
b) Cost Auditor Audit fees	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.01</b>

2. The above mentioned fees paid to auditors in other capacities is excluding Rs. 0.50 crore (previous year Rs. 1.12 crore) paid for certification work required to be done by the Statutory Auditors for the purpose of QIP & FCCB issues and adjusted against Securities Premium Reserve.

<b>Schedule - 18   INTEREST AND FINANCE CHARGES</b>		
On Debentures, Term Loans and Working Capital Loans		56.93
Others		25.02
<b>Total</b>		<b>81.95</b>
		<b>41.84</b>
		<b>22.48</b>
		<b>64.32</b>

## Schedules forming part of the Consolidated Account

### Schedule - 19 | SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Contd..)

#### 1) Principles of Consolidation:

The consolidated financial statements relate to Sintex Industries Limited ("the Company") and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard-21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- The operations of foreign subsidiaries are not considered as an integral part of the operations of the parent. Hence all revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the "Foreign Currency Translation Reserve".
- The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate Financial Statements.
- Investments made by the parent company in subsidiary companies subsequent to the holding-subsidiary relationship coming into existence are eliminated while preparing the Consolidated Financial Statement.
- Intragroup balances and intragroup transactions are eliminated to the extent of share of the parent company in full.
- Unrealised profits on account of intragroup transactions have been accounted for depending upon whether the transaction is an upstream or a downstream transaction.

#### 2) Investments other than in subsidiaries are accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

#### 3) Other significant accounting policies:

These are set out under "Significant Accounting Policies" as given in the Unconsolidated Financial Statements of Sintex Industries Limited.

### Schedule - 20 | NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

#### 1) The subsidiary companies considered in the Consolidated Financial Statements are:

Name of Subsidiaries	Country of incorporation	Effective ownership in subsidiaries as at	
		31.03.2009	31.03.2008
Zeppelin Mobile Systems India Limited	India	74.00%	74.00%
Bright AutoPlast Private Limited	India	100.00%	99.99%
Sintex Holdings B.V.	Netherlands	100.00%	100.00%
Sintex France SAS	France	100.00%	100.00%
Sintex Holding USA, Inc.	USA	100.00%	100.00%
Sintex Industries UK Limited	UK	100.00%	100.00%
Sintex Austria B.V. (w.e.f. July 15, 2008)	Netherlands	100.00%	—
Amarange Inc. (w.e.f. April 24, 2008)	British Virgin Island	100.00%	—
Wausauke Composites Inc.	USA	81.00%	81.00%
Wausauke Composites- Owosso, Inc. (Previously known as Nero Plastic Inc.)	USA	81.00%	81.00%
WCI Wind Turbine Components, LLC (w.e.f. August 27, 2008)	USA	81.00%	—
Nief Plastic Holding SAS	France	100.00%	100.00%
Nief Plastic SAS (Previously known as Nief Plastic SA)	France	100.00%	100.00%
NP Hungaria Kft	Hungary	100.00%	100.00%
NP Nord SAS	France	100.00%	100.00%
NP Slovakia SRO	Slovakia	100.00%	100.00%
NP Savoie SAS	France	100.00%	100.00%
NP Tunisia SARL	Tunisia	100.00%	100.00%
NP Vosges SAS	France	100.00%	100.00%
Segaplast SAS	France	100.00%	100.00%
Segaplast Maroc SA (Previously known as Segaplast SA)	Morocco	100.00%	100.00%
Siroco SAS	France	100.00%	100.00%
Thermodole SAS	France	100.00%	100.00%
AIP SAS (w.e.f. October 23, 2008)	France	100.00%	—
Owosso Real Estate LLC	USA	81.00%	81.00%
Cuba City Real Estate LLC	USA	81.00%	81.00%

## Schedules forming part of the Consolidated Account

### Schedule - 20 | NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd..)

(Rs. in crore)

	2008-09	2007-08
2) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	15.11	36.57
3) Contingent liabilities in respect of:		
a) Amount of claim of certain retrenched employees for re-instatement with back wages.	Amount not ascertained	Amount not ascertained
b) Corporate Guarantee given to bank/institution	20.92	–
c) Performance guarantees given to customers by the bankers	67.87	57.11
d) Disputed demands/claims not acknowledged as debts against which the Company has preferred an appeal		
i) Income Tax	11.20	0.52
ii) Excise Duty	1.47	3.37
iii) Custom Duty	0.28	0.28
iv) Sales Tax	0.47	0.89
v) Stamp Duty	–	0.37
vi) Others	0.01	0.01

4) The Scheme of Arrangement (the "Scheme") between the Company and its equity shareholders was approved by the Board of Directors vide its resolution dated June 30, 2008, by the shareholders in their Court convened meeting held on September 15, 2008 and by the Honourable High Court of Gujarat vide its order dated March 25, 2009. The Appointed Date of Scheme is April 1, 2008. The Company has filed the Order with the Registrar of Companies, Gujarat within the time specified in the Order and the Scheme has been given effect to in these financial statements. Accordingly, as per the Scheme, from the said date, the Company has earmarked Rs. 200 crore from Securities Premium Reserve to International Business Development Reserve Account (the "IBDR").

As per the Scheme, the balance of IBDR so earmarked is available towards such expenses as specified under the Scheme. Accordingly, during the year, the Company has adjusted against the earmarked balance of IBDR an amount of Rs. 130.73 crore being such specified expenses of the nature of cost of investments, professional fees, legal fees, finance charges, due diligence expenses and other such expenses incurred in respect of acquisition of a target overseas company. The said accounting treatment has been followed as prescribed under the Scheme and it has no impact on the profit for the year, as per the Scheme.

5) Pursuant to letter dated March 20, 2009 received from the Promoter Group Companies regarding expression of their unwillingness to exercise their conversion right of 10512000 Convertible Share Warrants to be converted into Equity Shares of the Company, as per Chapter - XIII of SEBI (Disclosure & Investor Protection) Guidelines, 2000, the Company has forfeited 10% upfront amount of Rs. 47.80 crore received at the time of allotment of warrants. Accordingly, the said amount has been transferred during the year to Capital Reserve.

6) The Company issued Zero Coupon Foreign Currency Convertible Bonds ("FCCBs") aggregating to US\$ 225 million on March 12, 2008 for financing foreign currency expenditure for expansion plans in existing businesses, investments in overseas joint ventures and/or wholly owned subsidiaries, international acquisitions and others.

The proceeds of the above issue have been utilised on an overall basis as set out below:

Particulars	USD in million	Rs. in crore
FCCB issue expenses directly paid	1.01	4.04
Investment in overseas subsidiary	64.61	282.06

Unutilised FCCB proceeds amounting to Rs. 805.62 crore have been invested in fixed deposits and Rs 26.23 crore have been lying in Current Account with banks at the year end.

7) The Company raised Rs. 589.50 crore (USD 150 million) by issuing 1,25,42,553 Equity Shares of Rs. 2 each to Qualified Institutional Buyers ("QIBs") at a premium of Rs. 468 per share in February, 2008.

The proceeds of above issue have been utilised on an overall basis as set out below:

Particulars	Rs. in crore
QIB issue expenses directly paid	10.53
Capital Expenditure (including Capital Work in Progress)	385.30
Repayment of Working Capital	122.50

Unutilised QIB proceeds amounting to Rs. 71.17 crore have been invested in Fixed Deposits with banks.

8) The foreign subsidiaries have provided depreciation on all the assets on straight line basis over the estimated useful life of the assets. The French subsidiaries have provided the liabilities for the retirement benefits as per the local laws applicable to them. The impact of different accounting policies followed by the subsidiaries, in the opinion of the management, would not be significant in the context of the Consolidated Financial Statements.

## Schedules forming part of the Consolidated Account

### Schedule - 20 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd..)

#### 9) The Profit and Loss Account includes:

	2008-09	2007-08
<b>Directors' Remuneration of holding company:</b>		
a) Chairman/Vice Chairman Remuneration (Two)		
Salary	0.53	0.40
Commission	1.60	1.60
Contribution to Provident Fund and Superannuation Fund	0.14	0.10
Perquisites in cash or in kind	0.38	0.28
<b>Total</b>	<b>2.65</b>	<b>2.38</b>
b) Managing Directors' Remuneration (Three)		
Salary	0.97	0.64
Commission	2.10	2.10
Contribution to Provident Fund and Superannuation Fund	0.26	0.17
Perquisites in cash or in kind	0.72	0.48
<b>Total</b>	<b>4.05</b>	<b>3.39</b>
<b>Grand Total</b>	<b>6.70</b>	<b>5.77</b>

#### 10) ESOP

- i) The Company initiated "The Sintex Industries Limited Employee Stock Option Scheme, 2006" (the "Scheme") for all eligible employees in pursuance of the special resolution approved by the shareholders in the Extraordinary General Meeting held on February 24, 2006. The Scheme covers all directors and employees (except promoters or those belong to the promoters' group) of the Company and directors and employees of all its subsidiaries. Under the Scheme, the Compensation Committee of the Board (the "Committee") administers the Scheme and grants stock options to eligible directors or employees of the Company and its subsidiaries. The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 10,000 options per annum for each employee. The vesting period is at the expiry of thirty six months from the date of the grant of option. The Committee has decided the exercise price of Rs. 91.70 per equity share as per clause 8.1 of SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
- ii) The Company has given loan to Sintex Employees Welfare Trust (ESOP Trust) towards subscribing 10,00,000 equity shares of the Company at Rs. 91.70 per share aggregating to Rs. 9.17 crore. On August 21, 2006, the Company issued 10,00,000 equity shares of the face value of Rs. 2 each to ESOP Trust at Rs. 91.70 per share.
- iii) During the year, the Company granted 3,36,500 (previous year 6,63,500) options to eligible employees at Rs. 91.70 per share. The details of outstanding options are as under:

Particulars	2008-09	2007-08
Options outstanding as at beginning of the year	663500	Nil
Add: Options granted during the year	336500	663500
Less: Options exercised during the year	Nil	Nil
Less: Options forfeited during the year	Nil	Nil
Options outstanding at the end of the year	1000000	663500

#### 11) Employee Benefits

##### a) Defined Benefit Plans

Particulars	2008-09		2007-08	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
i Expense recognised in Profit and Loss Account and included in Schedule 16 "Employees Emoluments"				
Current Service Cost	1.39	0.84	1.14	0.60
Interest Cost	0.95	0.36	0.80	0.28
Expected return on plan assets	(0.72)	–	(0.62)	–
Net actuarial losses (gains)	0.72	0.21	0.67	0.57
<b>Total Expenses</b>	<b>2.34</b>	<b>1.41</b>	<b>1.99</b>	<b>1.45</b>

## Schedules forming part of the Consolidated Account

### Schedule - 20 | NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd..)

(Rs. in crore)

Particulars	2008-09		2007-08	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
ii Reconciliation of opening and closing balances of changes in present value of the defined benefit obligation:				
Opening Balance of defined benefit obligation	12.22	4.76	10.08	3.59
Acquisition Adjustment	0.10	—	—	—
Current Service Cost	1.39	0.84	1.14	0.60
Interest Cost	0.95	0.36	0.80	0.28
Actuarial losses (gains)	0.70	0.21	0.69	0.57
Liabilities extinguished on settlements	—	—	—	—
Benefits paid	(0.60)	(0.66)	(0.49)	(0.28)
<b>Closing Balance of defined benefit obligation</b>	<b>14.76</b>	<b>5.51</b>	<b>12.22</b>	<b>4.76</b>
iii Reconciliation of opening and closing balances of changes in the fair value of plan assets:				
Opening Balance of plan assets	7.33	—	6.42	—
Acquisition Adjustment	0.14	—	—	—
Expected returns on plan assets	0.72	—	0.62	—
Actuarial gains (losses)	(0.02)	—	0.02	—
Assets distributed on settlements	—	—	—	—
Contribution by employer	1.47	—	0.74	—
Benefits paid	(0.60)	—	(0.47)	—
<b>Closing Balance of plan assets</b>	<b>9.04</b>	<b>—</b>	<b>7.33</b>	<b>—</b>
iv Net Liability recognised in the Balance Sheet				
Closing Balance of defined benefit obligation	14.76	5.51	12.22	4.76
Closing balance of fair value of plan assets	9.04	—	7.33	—
<b>Present value of unfunded obligation recognised as liability</b>	<b>5.72</b>	<b>5.51</b>	<b>4.88</b>	<b>4.76</b>
v Actual return on plan assets	0.71	—	0.64	—
As at March 31, 2009				
vi Actuarial Assumptions:				
Discount Rate				7.75%
Expected rate of return on plan assets				9.00%
Expected rate of salary increase				6.00%
Mortality			LIC (1994-96) published table of rates	
Withdrawal Rates			Suitable rates based on attained age	
Retirement age			60 years	
Actuarial Valuation Method			Projected Unit Credit Method	
vii The Group has Defined Benefit Plans for Gratuity to its employees, contribution for which are made to Life Insurance Corporation of India who invests the funds as per Insurance Regulatory and Development Authority Guidelines.				
b) Defined Contribution Plans				
Rs. 6.43 crore (previous year Rs. 4.32 crore) recognised as an expense and included in the Schedule 16 of Profit and Loss Account under the head "Contribution to Provident, Superannuation and Gratuity Fund".				

### 12) The Deferred Tax Liability / Asset comprises of tax effect of timing differences on account of:

(Rs. in crore)

Particulars	31.03.2009	31.03.2008
Deferred Tax Liability		
Difference between book and tax depreciation	166.22	118.94
Others	6.91	0.17
<b>Total</b>	<b>173.13</b>	<b>119.11</b>
Deferred Tax Asset		
Disallowances under Income Tax	(14.45)	(8.66)
Provision for doubtful debts & advances	(0.51)	(0.45)
Unabsorbed Depreciation	(16.21)	(3.08)
<b>Total</b>	<b>(31.17)</b>	<b>(12.19)</b>
<b>Deferred Tax Liability (Net)</b>	<b>141.96</b>	<b>106.92</b>

## Schedules forming part of the Consolidated Account

### Schedule - 20 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd..)

#### 13) Earnings per share (EPS) -The numerators and denominators used to calculate Basic and Diluted Earnings Per Share

Particulars		2008-09	2007-08
<b>Basic Earnings Per Share before Extra Ordinary Items</b>			
Profit attributable to the shareholders (Rs. in crore)	A	325.12	230.32
Weighted average number of Equity Shares outstanding during the year	B	135495433	117872309
Nominal value of Equity Shares (Rs.)		2.00	2.00
<b>Basic Earnings Per Share (Rs.)</b>	A/B	24.00	19.54
<b>Diluted Earnings Per Share before Extra Ordinary Items :</b>			
Profit attributable to the shareholders (Rs. in crore)	A	325.12	230.32
Weighted average number of Equity Shares outstanding during the year	B	135495433	117896358
Nominal value of Equity Shares (Rs.)		2.00	2.00
<b>Diluted Earning Per Share (Rs.)</b>	A/B	24.00	19.54

	No. of shares	No. of shares
Weighted average number of Equity Shares outstanding during the year for Basic EPS	135495433	117872309
Add : Dilutive potential Equity Shares	—	24049
Weighted average number of Equity Shares outstanding during the year for Dilutive EPS	135495433	117896358

#### 14) Leases

##### A) Finance Lease

- i) In accordance with Accounting Standard 19 'Leases' issued by the Institute of Chartered Accountants of India, the assets acquired on finance lease are capitalised and a loan liability is recognised. Consequently, depreciation is provided on such assets. Installments paid are allocated to the liability and the interest is charged to the Profit and Loss Account.
- ii) a) Assets acquired on Lease Agreements mainly comprise of vehicles. The agreements provide for reimbursement of taxes, levy, etc. imposed by any authorities in future. There are no exceptional / restrictive covenants in the Lease Agreements.
- b) The minimum installments and the present value as at March 31, 2009 of minimum installments in respect of assets acquired under the Lease Agreements are as follows:

Particulars	31.03.2009	31.03.2008
<b>Minimum Installments</b>		
i) Payable not later than 1 year	0.34	0.33
ii) Payable later than 1 year and not later than 5 years	0.63	0.84
iii) Payable later than 5 years	0.03	0.13
Total minimum installments	1.00	1.30
Less : Future Finance Charges	0.08	0.17
Present value of minimum installments	0.92	1.13
<b>Present Value of Minimum Installments</b>		
i) Payable not later than 1 year	0.27	0.25
ii) Payable later than 1 year and not later than 5 years	0.60	0.77
iii) Payable later than 5 years	0.05	0.11
Total present value of minimum installments	0.92	1.13

##### B) Operating Lease

Lease rentals charged to revenue for lease agreements for the right to use following assets are :

Particulars	2008-09	2007-08
Office premises	4.27	2.61
Residential Flats for accommodation of employees	0.05	0.02

The lease agreements are executed for a period ranging between 11 to 96 months with a renewal clause and also provide for termination at will by either party by giving a prior notice.

## Schedules forming part of the Consolidated Account

### Schedule - 20 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd..)

#### 15) Related Party Transactions:

##### a) Names of related parties & description of relationship :

Sr. No.	Nature of Relationship	Name of Related Parties
1	Associate Companies	Som Shiva Impex Ltd. BVM Finance Pvt. Ltd. Sintex International Ltd.
2	Key Management Personnel	Shri Dinesh B. Patel, Chairman Shri Arun P. Patel, Vice Chairman Shri Rahul A. Patel, Managing Director Shri Amit D. Patel, Managing Director Shri S.B. Dangayach, Managing Director

##### b) Detail of transactions with related parties:

(Rs. in crore)

Nature of Transactions	Associate Companies		Key Management Personnel		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
I] Volume of transactions:						
A) Job Work						
Som Shiva Impex Ltd.	1.22	1.09	–	–	1.22	1.09
B) Purchase/ Sale of Goods						
Som Shiva Impex Ltd.	4.83	2.41	–	–	4.83	2.41
Sintex International Ltd.	0.01	0.01	–	–	0.01	0.01
C) Managerial Remuneration						
Dinesh B. Patel	–	–	1.33	1.19	1.33	1.19
Arun P. Patel	–	–	1.33	1.19	1.33	1.19
Rahul A. Patel	–	–	1.44	1.25	1.44	1.25
Amit D. Patel	–	–	1.44	1.25	1.44	1.25
S.B. Dangayach	–	–	1.16	0.89	1.16	0.89
D) Unsecured Loan/Advances Given						
Sintex International Ltd.	42.00	–	–	–	42.00	–
BVM Finance Pvt. Ltd. (Advance Subscription Money)	–	8.69	–	–	–	8.69
E) Unsecured Loan/Advances Taken/(Repaid)						
Sintex International Ltd.	(1.93)	(0.25)	–	–	(1.93)	(0.25)
II] Balance at the end of the year						
A) Unsecured Loans						
Sintex International Ltd.	–	1.93	–	–	–	1.93
B) Current Liabilities						
Som Shiva Impex Ltd.	0.21	–	–	–	0.21	–
Sintex International Ltd.	0.02	0.01	–	–	0.02	0.01
Dinesh B. Patel	–	–	0.80	0.80	0.80	0.80
Arun P. Patel	–	–	0.80	0.80	0.80	0.80
Rahul A. Patel	–	–	0.80	0.80	0.80	0.80
Amit D. Patel	–	–	0.80	0.80	0.80	0.80
S.B. Dangayach	–	–	0.50	0.50	0.50	0.50
C) Investments in Equity Shares						
Sintex International Ltd.	3.00	3.00	–	–	3.00	3.00
BVM Finance Pvt. Ltd.	8.69	–	–	–	8.69	–
D) Loans and Advances						
Sintex International Ltd.	42.00	–	–	–	42.00	–
BVM Finance Pvt. Ltd. (Advance Subscription Money)	–	8.69	–	–	–	8.69

## Schedules forming part of the Consolidated Account

### Schedule - 20 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd..)

#### 16) Information about Business Segment

##### 1) Primary Segment Information

	Textiles		Plastics		Unallocated		Total	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
i) Segment Revenue	371.03	348.26	2762.14	1949.55	87.01	36.49	3220.18	2334.30
Less: Inter Segment Revenue	—	—	—	—	—	—	—	—
Net Sales/Income from Operations	371.03	348.26	2762.14	1949.55	87.01	36.49	3220.18	2334.30
ii) Segment Result	66.44	66.77	381.21	280.43	44.28	19.06	491.93	366.26
Less: Unallocated Expenses net of								
Unallocated Income	—	—	—	—	—	—	—	—
Interest Expenses	—	—	—	—	(81.95)	(64.32)	(81.95)	(64.32)
Profit Before Tax							409.98	301.94
Current Tax							43.05	42.80
Deferred Tax							35.04	25.57
MAT Credit							—	(0.03)
Fringe Benefit Tax							2.13	1.42
Excess/(Short) Provision for taxation in earlier years (net)							2.39	—
Profit After Tax Before Minority Interest							327.37	232.18
Less : Minority Interest							2.25	1.86
Profit After Tax							325.12	230.32
iii) Other Information:								
Segment Assets	797.01	655.94	3047.24	2307.41	1260.13	1633.91	5104.38	4597.26
Segment Liabilities	47.18	59.94	1036.40	1218.25	1146.38	898.85	2229.96	2177.04
Capital Expenditure	190.86	88.02	478.25	754.87	—	—	669.11	842.89
Depreciation	37.02	32.22	77.37	44.29	—	—	114.39	76.51
Non-cash expenses other than depreciation	—	—	58.43	25.16	—	—	58.43	25.16

##### 2) Secondary Segment Information

	2008-09	2007-08
i) Segment Revenue - External Turnover		
- Within India	2178.98	1816.37
- Within Europe	800.78	363.86
- Others	240.42	154.07
Total Revenue	3220.18	2334.30
ii) Segment Assets		
- Within India	4130.69	3582.89
- Within Europe	777.80	861.68
- Others	195.89	152.69
Total Assets	5104.38	4597.26
iii) Segment Liability		
- Within India	1848.97	1782.03
- Within Europe	326.46	377.54
- Others	54.53	17.47
Total Liability	2229.96	2177.04
iv) Capital Expenditure		
- Within India	572.86	428.31
- Within Europe	90.86	395.76
- Others	5.39	18.82
Total Capital Expenditure	669.11	842.89

##### Note:

a) The Company is organised into two main business segments, namely:

Textile - Fabric and Yarn

Plastic - Water Tanks, Doors, Windows, Prefab, Sections, BT Shelters, Custom Moulding, etc. Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems.

## Schedules forming part of the Consolidated Account

### Schedule - 20 | NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd..)

b) Segment Revenue in each of the above business segments primarily includes sales, service charges, rent, profit on sale of Fixed Assets (net), Miscellaneous sales and Export Incentive

(Rs. in crore)

	2008-09	2007-08
Segment Revenue comprises of:		
Sales	3063.88	2274.23
Other Income	156.30	60.07
<b>Total</b>	<b>3220.18</b>	<b>2334.30</b>

c) The Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

d) Previous year's figures have been regrouped, wherever necessary.

### Signature to Schedule 1 to 20

As per our attached  
report of even date

For Deloitte Haskins & Sells  
Chartered Accountants

Gaurav J. Shah  
*Partner*  
Membership No. 35701

Ahmedabad  
Date : May 9, 2009

Rahul A. Patel      *Managing Director*  
Amit D. Patel      *Managing Director*  
S. B. Dangayach      *Managing Director*

Ramnikbhai H. Ambani      *Director*  
Ashwin Lalbhai Shah      *Director*  
Dr. Rajesh B. Parikh      *Director*  
Dr. Lavkumar Kantilal      *Director*  
Rooshikumar V. Pandya      *Director*  
Indira J. Parikh      *Director*

L. M. Rathod  
*Company Secretary*  
Ahmedabad  
Date : May 9, 2009

A TRISYS PRODUCT  
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**Sintex Industries Limited**

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