

Annual Report 2010-11



## 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 'anticipates', 'estimates', '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 realised, 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 and Readers should bear this in mind.

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

# Corporate Information

## BOARD OF DIRECTORS

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>
Sunilkumar Kanojia	<i>Group President (Corporate)</i>
Sanjib Roy	<i>Senior President – (Plastic Div.)</i>
Rajan Gulabani	<i>Resident Director</i>
S. M. Anerao	<i>Sr. Vice President – (Plastic Div.)</i>
D. G. Mistry	<i>Vice President – Tech. (Plastic Div.)</i>
A.C. Saxena	<i>Vice President – Marketing (Plastic Div.)</i>
Shashidhar B.C.	<i>President – Marketing (Textile Div.)</i>
Ashoke Maitra	<i>President – Opr. &amp; Admn. (Textile Div.)</i>
R. A. Sharma	<i>President – Proc. (Textile Div.)</i>
Siddhartha Jha	<i>President – Tech. (Textile Div.)</i>
Rajiv Naidu	<i>Head – IR &amp; PR</i>

## COMPANY SECRETARY

L. M. Rathod

## AUDITORS

Deloitte Haskins & Sells  
Chartered Accountants  
Ahmedabad

## BANKERS

State Bank of India  
Bank of Baroda  
IDBI Bank Limited

## REGISTERED OFFICE

Kalol (N.G.) 382721  
Gujarat, India  
Tel : (+91-2764) 253000  
Fax : (+91-2764) 253100, 222868  
E-mail : bvm@sintex.co.in

## REGISTRAR & SHARE TRANSFER AGENT

Sharepro Services (India) Pvt. Ltd.  
416-420, 4th Floor,  
Devnandan Mall,  
Op. Sanyas Ashram,  
Ellisbridge,  
Ahmedabad – 380 006

## Contents

Corporate information	<b>01</b>	■ Ten years at a glance	<b>02</b>	■ Directors' report	<b>03</b>	■ Management discussion and analysis	<b>12</b>	■ Corporate governance report	<b>18</b>	■ Auditors' report on standalone financial statements	<b>27</b>
■ Standalone financial statements	<b>30</b>	■ Statements relating to subsidiary	<b>52</b>	■ Auditors' report on consolidated financial statements	<b>53</b>	■ Consolidated financial statements	<b>54</b>				

# Ten years at a glance

(₹ in crore)

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Fixed Assets (Net)	378.82	364.87	480.25	493.44	470.64	635.43	783.96	1221.29	1336.59	1788.55
New Project Expenses	55.23	121.49	18.33	29.62	19.02	38.79	242.68	197.38	136.75	121.06
Investments	31.07	11.53	56.86	167.47	156.83	206.53	429.77	637.89	807.94	1123.64
Net Current Assets	100.79	122.79	136.05	219.92	449.59	518.63	1690.47	1640.05	1927.36	1827.98
Misc. Exp. (Not Written off)	4.07	3.51	3.20	6.10	3.40	2.12	1.15	0.17	—	—
<b>Total Assets (Net)</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>	<b>4208.64</b>	<b>4861.23</b>
Borrowings	217.15	250.33	298.58	338.41	582.66	678.26	1536.93	1938.36	2174.37	2495.98
Preference Share Capital	15.00	15.00	—	—	—	—	—	—	—	—
Equity Share Capital	14.56	14.56	14.56	18.48	19.73	22.19	27.10	27.10	27.10	27.11
Share Warrants	—	—	—	13.92	5.41	—	47.80	—	—	—
Reserves & Surplus	316.91	335.23	337.42	488.71	429.73	628.68	1436.75	1600.63	1855.02	2145.31
Deferred Tax Liability	6.36	9.06	44.13	57.04	61.95	72.36	99.45	130.69	152.15	192.83
<b>TOTAL CAPITAL EMPLOYED</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>	<b>4208.64</b>	<b>4861.23</b>
Debt/Equity Ratio	1.3:1	1.35:1	1.59:1	0.95:1	1.28:1	1.04:1	1.02:1	1.19:1	1.16:1	1.15:1
<b>Sales &amp; Other Income</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>	<b>2093.49</b>	<b>2670.62</b>
Raw Materials	145.13	196.51	254.37	318.15	510.54	695.39	1025.08	1159.22	1272.89	1657.69
Salaries & Wages	21.59	23.25	26.46	30.55	37.42	47.90	63.46	77.52	85.24	93.15
Operations & Other Expenses	143.93	142.25	168.35	215.57	152.26	196.88	242.58	293.29	258.53	265.02
Interest	21.57	28.49	26.24	24.85	29.09	40.99	56.25	63.97	51.32	86.82
<b>Gross Profit/(Loss)</b>	<b>44.34</b>	<b>56.50</b>	<b>71.85</b>	<b>98.86</b>	<b>145.43</b>	<b>203.00</b>	<b>332.23</b>	<b>404.06</b>	<b>425.51</b>	<b>567.94</b>
Depreciation	22.68	22.07	22.63	28.25	31.13	41.47	51.70	62.40	84.03	89.25
<b>Profit/(Loss) Before Taxes</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>	<b>341.48</b>	<b>478.69</b>
Taxes	2.43	10.49	15.40	20.49	22.26	30.93	64.20	72.56	60.97	114.07
<b>Profit/(Loss) After Taxes</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>	<b>280.51</b>	<b>364.62</b>
Extra ordinary items	—	—	(0.16)	3.79	(0.03)	(0.02)	—	(2.39)	(6.81)	(7.06)
<b>Net Profit</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>	<b>273.70</b>	<b>357.56</b>
Dividend	4.06	4.79	5.63	7.39	8.86	10.75	13.65	15.02	16.38	17.74
Tax on Dividend	0.19	0.57	0.72	0.97	1.24	1.83	2.32	2.51	2.67	2.84
Retained Earnings	37.66	40.65	49.94	73.80	113.04	159.48	252.05	311.58	338.68	426.23
Earning per Equity Share (₹)	2.36	2.97	4.43	7.14	*9.95	*12.15	*18.35	*19.68	*20.20	13.19**
Book Value per Equity Share (₹)	232	246	272	313	*52	*65	*119	*130	*150	87**
Dividends per Equity Share (₹)	1.50	2.00	3.00	4.00	*0.88	*0.96	*1.00	*1.10	*1.20	0.65**

\* On subdivided equity share of ₹2/- each

\*\* On subdivided equity share of ₹1/- each

# Directors' Report

## Dear Shareholders,

Your Directors have pleasure in presenting the 80th Annual Report of the Company, together with audited accounts for the year, which ended on March 31, 2011.

### Financial results

Your Company's financial performance for 2010-11 has been encouraging, as summarised below

	2010-11	2009-10
Gross turnover	2718.74	2103.56
Gross profit	567.94	425.51
Less : Depreciation	89.25	84.03
Profit before tax	478.69	341.48
Less: Provision for taxation - Current tax	95.48	58.05
MAT Credit Entitlement	(22.09)	(18.54)
Deferred tax	40.68	21.46
<b>Profit/(loss) after tax before</b>		
Prior period items	364.62	280.51
Add/(Less): Short provisions for taxation of earlier years	(7.06)	(6.81)
<b>Profit after tax</b>	<b>357.56</b>	<b>273.70</b>
Balance of profit of previous year	888.60	674.17
<b>Profit available for appropriation</b>	<b>1246.16</b>	<b>947.87</b>
<b>Appropriations</b>		
General reserve	40.00	30.00
Debenture redemption reserve	28.58	10.22
Proposed dividend on equity shares	17.74	16.38
Tax on dividend	2.84	2.67
Balance carried to balance sheet	1157.00	888.60
<b>Total</b>	<b>1246.16</b>	<b>947.87</b>

### Financial performance

Your Company reported another strong performance this year as it extended its presence into value-added business verticals and strengthened its market position in existing businesses - delivering superior value to its stakeholders.

Gross turnover grew 29% from ₹2,103.56 crore in 2009-10 to ₹2,718.74 crore in 2010-11, due to a significant increase in existing business volumes. While all business segments contributed to your Company's growth, the key growth drivers were monolithic construction and civil infrastructure.

The EBIDTA grew 37% from ₹476.83 crore in 2009-10 to ₹654.76 crore in 2010-11, facilitated by growing sales volumes, increased project delivery and a thrust on value-added business segments.

Your Company registered a 31% growth in profit after tax to ₹357.56 crore in 2010-11 against ₹273.70 crore in 2009-10. Cash plough back into the business grew 33% from ₹425.51 crore in 2009-10 to ₹567.93 crore in 2010-11 – providing an adequate cushion for funding initiatives to capitalise on emerging growth opportunities.

The earning per share stood at ₹13.19 (basic) and ₹13.19 (diluted) in 2010-11.

### Dividend

Your Company always maintained a prudent balance between its need to reward shareholders with its need to grow business for delivering superior returns to shareholders over the medium-term. Considering the sizeable capital-intensive projects on the anvil, your Directors are pleased to recommend a dividend of ₹0.65 per equity share on a face value of ₹1 each on 27,29,90,866 equity shares, fully paid up as on March 31, 2011 (previous year ₹1.20 per equity share of face value of ₹2 each on 13,64,95,433 equity shares), and any further equity shares that may be allotted by your Company upon the conversion of FCCBs prior to book closure date for 2010-11. This dividend will be paid subject to the approval of shareholders at the forthcoming Annual General Meeting.

The dividend payout, if approved by members will be ₹17.74 crore, while ₹2.84 crore will be paid by the Company towards dividend tax and surcharge on the same. Dividend in the hands of the shareholders will be tax-free.

### Business review and divisional performance

Your Company registered an overall improved performance in 2010-11, where all business verticals and sub-segments grew at a robust pace. A detailed discussion of your Company's operations is given elsewhere in this annual report under 'Management discussion and analysis report.'

#### A) Plastics division

Plastics division, the critical growth driver of your Company grew at 31% from ₹1,666.93 crore in 2009-10 to ₹2,180.43

crore in 2010-11, strengthening its significance for the Company - it accounted for 83.35% of your Company's revenues in 2010-11 against 82.91% in 2009-10. It also vindicated your Company's philosophy of creating products and solutions around areas that impact the essentials for the common man, and those that are high on the government's priority list.

The monolithic construction segment reported a massive increase for the third successive year, emerging as the flagship business vertical in the plastics division. Other significant contributors included prefabs, water storage solutions and custom moulded products (including SMC products). Your Company also introduced novel products and solutions which strengthened the 'Sintex' brand recall and grew market share in key business verticals. In 2010-11, your Company established a strong presence in creating water distribution and sewerage collection infrastructure.

**Monolithic construction:** This business registered a stellar performance – larger order execution and increased business volumes, enlarging the already huge order book. Your Company also extended its presence in a larger number of states for providing low-cost housing solution through this technology – opening huge opportunity windows over the coming years. More importantly, your Company received large business from other segments, namely the security forces and police departments.

**Prefabs:** Your Company grew this business vertical by tapping into opportunity pockets from the health and education segments which are high on government priority, for which sizeable funds were allocated. Your Company's products received numerous approvals from different states in 2010-11, expanding business opportunities in coming years. Your Company also created prefab structures for the defence forces across diverse geographies.

**Building products:** Your Company focused its energies on strengthening its presence in plastic doors – aggressive marketing through unique schemes and promotional programmes with satisfying results. Your Company also launched sandwich panels specially designed for roofing application, interior partitions, and high-altitude structures which were well received. Your Company marketed sizeable volumes of sandwich panels to successfully set-up warehouses across diverse Indian terrains – showcasing product suitability for cold chain applications, high on government priority.

**Water and liquid storage:** Water tanks, the Company's flagship brand, maintained its growth and expanded its presence across geographies with greater reach in rural and semi-urban markets, maintaining a dominant position. Your Company introduced a number of new sub-brands, segregating the water tank market into smaller segments – enabling it to cater to a wider customer range and facilitate increased penetration. Your Company re-launched its underground tank range which was successfully installed in a number of locations.

**Sub-ground structures:** Your Company made significant progress in this business vertical which comprised manhole structures, covers and packaged water treatment solutions – these products received approvals from a number of state government authorities and private clients, generating sizeable revenue for the Company in 2010-11. This segment is expected to register a robust growth over the coming years largely due to the increased government thrust on pollution management, consequent to growing urbanisation.

**Custom moulded products:** This business segment registered a significant growth largely due to product customisation to suit niche applications. Besides, your Company successfully developed numerous products for diverse sectors, catering to both global and domestic customers. Some products were under advanced stages of approval which should open new growth opportunities.

In the energy segment, your Company built upon its long and healthy business relationship with the electrical sector for marketing its enclosures with a special focus on distribution and feeder-pillar boxes to capitalise on opportunities emerging from the modernisation of the T&D segment of the energy value chain.

Your Company received business from leading OEM namely, John Deere, M&M, Cummins and BEL among others, for specialised and customised products. Besides, a number of products were also approved by leading Indian and multi-national brands, which is expected to yield sizeable revenues over the coming years.

#### **B) Textiles division**

The textile division grew by a significant 27% on the back of robust demand from international clients. The domestic business also registered a sizeable increase in business volumes. Your Company strengthened its position in women's wear and home furnishing segments through a wider product basket, generating increased business volumes. During the year, your

Company added a number of renowned fashion labels to its client list, opening new opportunity windows. Your Company created a robust retail network for marketing ready-to-stitch fabric, primarily catering to rural and semi-urban markets. Your Company is working towards strengthening its infrastructure through sophisticated equipment which will improve product quality and machine productivity to capitalise on growing opportunities.

### **Subsidiaries**

During the year under review, M/s. Bright AutoPlast Private Limited, a wholly-owned subsidiary was converted into a Public Limited Company with a new name - M/s. Bright AutoPlast Limited, and Sintex Oil & Gas Limited ceased to be the Company's subsidiary.

### **Performance of subsidiaries**

Your subsidiaries registered a robust performance – revenue and profit after tax grew 46% and 85% respectively. More importantly, their contribution to the consolidated revenue increased from ₹1,271.09 crore in 2009-10 to ₹1,859.18 crore in 2010-11; the contribution to the bottomline strengthened from 4.3% in 2009-10 to 5.5% in 2010-11.

#### **1) Zep Infratech Limited (Formerly known as Zeppelin Mobile Systems India Ltd.)**

The Company shifted its focus from being just a telecom infra Company to a holistic infrastructure Company, due to a melt down in the telecom sector. The Company plans to leverage its existing capability and competence to take advantage of the huge potential in the infrastructure sector.

The new business focus areas would be – infrastructure/civil projects, telecom products and services, prefabs made of PUF panels, PEB structures and cold chain management.

Cold chain management will be a huge opportunity for the Company, as it is becoming a matter of national interest with almost 42% of agricultural production in India being perishable items. The government also laid thrust on developing new cold chains by providing full exemption on excise duties.

#### **2) Bright AutoPlast Ltd.**

The Company performed exceptionally well – higher volumes, new businesses, new customers and new capacities – resulted in a 44% topline growth and an improvement in margins in 2010-11 over the previous year.

Our business with Schneider performed extremely well. This resulted in other electric companies showing serious intent in

partnering with us – primarily customers of Nief who also have manufacturing bases in India. In the automotive segment, volumes from existing clients increased and new customers opened multiple growth opportunities.

We created a new unit – Chennai 3 – dedicated to electrical customers which commenced operations in April 2011. This allowed us to grow our client base in this vertical. Additionally, we strategised in setting up greenfield facilities proximate to automotive hubs to capitalise on the huge demand from the automotive segment. We are also looking to enter the commercial vehicle segment – multiplying our growth opportunities.

#### **3) Wausauke Composites Inc.**

Your Company bought out our partner's stake in Wausauke, making it a 100% subsidiary of Sintex. This was necessary for our accelerated growth in the US. What we also need to remind shareholders is that for Wausauke, there were issues related to the wind energy business, but otherwise Wausauke doubled in size, post our acquisition. The returns were also significant.

In 2010-11, we started prototyping products for a number of new customers, volumes are expected to flow in the current year. Your Company is also focused on expanding its manufacturing footprint in the US through inorganic initiatives, as we realise that the custom moulding business is region and customer-centric – you need to be at the right place with the right client.

#### **4) Nief Plastics SAS**

Nief performed very well this year with a topline growth of 23-25% and margin growth from 11 to 13%.

At Nief, contributions from the automotive segment that was 65% at the time of acquisition was 45% last year and this year it is 40%. This year 40% of Nief's business was from auto, 30% from electrical, 20% from aerospace and medical and 10% from others.

Nief's acquisition of Simop (moulding unit) and Sicmo (moulds and tools making unit) gave the Company access to three new customers – plastic products for doormatix, personal care products and modem making companies.

Nief also expanded operations in East Europe (Hungary and Slovakia) and North Africa (Tunisia and Morocco) to take advantage of low production costs, leading to its overall optimisation.

In 2010-11, the Company also introduced a new process called 'machining of plastics' (machines cut plastics in required shape), for manufacturing medical equipment.

### 5) Sintex Infra Projects Ltd

The Company enabled Sintex to establish a strong foothold in the Infrastructure space. The Company successfully delivered various infrastructure projects in the field of construction of airports, road and land development, construction of industrial plants, developing commercial and residential complexes, among others. With good management skills and demonstrated execution capabilities, the Company has a healthy order book.

In 2010-11, your Company acquired 30% ownership of Durha Constructions Private Limited (DCPL) at an investment of ₹42.21 crore. DCPL is engaged in the civil and mechanical construction in diverse infrastructure sectors including power, petrochemicals, cement from medium to large projects for private and public sectors clients – key projects include Delhi International Airport, Hyderabad International Airport, Indraprastha Power Station, among others. It has an impressive client base comprising large corporates, namely, BHEL and L&T.

### Employee stock option scheme

The shareholders of the Company 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

During the year, each equity share of ₹2 each was sub-divided into 2 equity shares of ₹1 each.

### Directors

In accordance with the requirements of Section 256 of the Companies Act, 1956 and the Articles of Association of the Company, Shri Ramnikbhai H. Ambani, Smt. Indira J. Parikh and Dr. Rajesh B. Parikh retire by rotation, but being eligible, offer themselves for reappointment.

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 appointments.

### 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, Piroze 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 US\$ 225 million)
- Bombay Stock Exchange Limited (Wholesale Debt Market), Piroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 (NCD INR 250 crore & NCD INR 350 crore)

The Company paid listing fees to all the above stock exchanges for 2011-12.

### 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 Statutory Auditors regarding compliance with the conditions of Corporate Governance is annexed to it.

Your Company complies with the provisions related to Corporate Governance as per Clause 49 of the Listing Agreement. Your Company is also in the process of implementing the Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India in December, 2009.

### 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, 2011, 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, 2011 have been prepared on a going concern basis.

#### **Consolidated financial statements**

The Central Government vide General Circular no. 2/2011 under no. 5/12/2007/CL-III dated February 8, 2011 has granted general exemption to the companies from attaching the annual accounts of the subsidiary companies, subject to compliance of certain conditions as given in the said circular.

Your Company is presenting in the annual report the consolidated financial statements of holding Company and all subsidiaries duly audited by the Statutory Auditors, complying with all other conditions, the annual accounts of the subsidiary companies are not attached, with this annual report.

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 Annexure 2.

#### **Particulars of employees**

The information required as amended under section 217(2A) of

the Companies Act, 1956, read with Companies (Particular of Employees) Rules, 1975, forms part of this report as Annexure 3. However, as permitted by section 219(I) (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 observations made in the Auditor's Report are self-explanatory and do not call for any further comments under Section 217 of the Companies Act, 1956.

#### **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 thank the Company's valued customers and various government, semi-government and local authorities, suppliers and other business associates, vendors, as well as the various banks for their continued support to the Company's growth and look forward to their continued support in the future also.

Your Directors place on record their appreciation of the contribution made by the employees at all levels across the Company towards the efficient working and operations of the Company. Last but not the least, the Board of Directors wish to thank the investors and shareholders for their unstinted support, co-operation and faith in the Company.

On behalf of the Board,



Dinesh B. Patel

Chairman

Date : April 30, 2011

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, 2011

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 ₹45.85 per equity share shall be payable by an employee pursuant to the ESOP Scheme. 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.
d. Vesting schedule	All options granted on any date shall vest at the expiry of 36 months from the date of the grant
e. Options vested	6,63,500
f. Options exercised	38,500*
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	38,500 option where exercise during the period under review and realised ₹35,30,450 be exercise of option
j. Total number of options in force	9,61,500
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	On exercise of option during the period under review there is no dilution earning per share
m. Weighted average exercise price	An exercise price of ₹45.85 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

\* Consequent upon sub-division of the each equity share of the Company from ₹2 per equity share into 2 equity shares of ₹1 each, the employees of the Company eligible for equity of the Company under Sintex Industries Limited Employees Stock Option Scheme, 2006 (ESOP 2006) be entitled to 2 equity share of ₹1/ each, on exercise of option under the said Scheme, at an exercise price of ₹45.85 per equity share, as stated in the said scheme.

# Annexure 2 to the Directors' Report

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

### 1) Conservation of Energy

#### a) Energy conservation measures taken:

##### Textile Division:

- 1) In the yarn dyeing division, an overhead water tank was installed. Prior to this, water was supplied through a pump, which ran for 10 hours continuously. After the installation of an overhead tank, this pump is no longer used.
- 2) Condensate water from yarn dyeing machine is taken back into system for re-use, resulting in cost savings.
- 3) Modifications were carried out on the pipe line at the old ETP plant. Earlier effluent was pumped to the Central Effluent plant through two pumps (50HP and 40HP) .Post the modification, usage of the 40HP pump was eliminated resulting in significant energy saving.
- 4) The supply and exhaust fans of the Humidification plants were converted into FRP and tuned for optimum operation reducing power consumption.
- 5) For the supply of raw water, a submerged pump was installed, which utilises less power compare with the earlier centrifugal pumps.
- 6) In the softening plant, borewell water was supplied by two centrifugal pumps, which was then converted into one submerged pump, reducing power consumption.
- 7) Process water is supplied by an overhead tank and due to a fixed pressure, leakages and consumption is reduced.
- 8) Condensate water from the CRP plant was generated back to the reservoir for reuse.
- 9) The use of surface aerator fans at the effluent treatment plant was reduced 25% to save power.
- 10) The blower fan used in the effluent treatment plant is staggered for optimum use

##### Plastic Division:

- 11) During the year under review, several modifications were made in the moulding machines to increase production with the same levels of energy inputs. This is expected to reduce energy consumption. Several measures were undertaken to reduce energy consumption in the other manufacturing departments.
- b) Additional investments and proposals, if any, being implemented to reduce consumption of energy
  - 1) In the textiles division, by replacing high-efficiency ring frames, power consumption reduced and productivity increased.
  - 2) In the textiles division, staffy-made yarn dyeing machines were replaced with fully- automatic Gofront-made yarn dyeing machines, which are more energy-efficient
  - 3) In the plastics division, we plan on installing energy-efficient burners and light fittings in the entire plant.
- c) Impact of the measures (a) and (b) above for reduction of the energy consumption and the consequent impact on the cost of production of goods
  - 1) In the textile division, quality production is achieved by saving a considerable amount of power
  - 2) The above mentioned measures resulted in energy saving and a subsequent reduction in energy costs, reducing production costs
  - 3) In the plastics division, the impact of energy saving devices will be peripheral in the beginning. However, it will be substantial if the entire programme is implemented.
- d) Total energy consumption and energy consumption per unit of production with respect to the Company's products  
Details are provided in Form A annexed hereto.

### 2) Technology Absorption

#### e) Efforts made in technology absorption

- a) In the plastic division, we were able to assimilate and develop products based on the technology of Containment Solutions, USA in the field of underground tanks, manholes, wet wells, among others
- b) We developed several package type waste water treatment plants and septic tank models to address problems related to wastewater treatment at the site in a decentralised manner through technical collaboration with M/s. Aqua Nishihara Corporation Ltd, Japan.
- c) We also developed appropriate technologies and techniques for windows, doors, SMC products, among others  
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 the textile division, the Company obtained "OEKO TEX" Standard 100 Certificate for its eco-friendly products, certified by TESTEX, Switzerland. Ongoing initiatives are undertaken to explore new markets and widen product reach, through regular meetings with customers and participation in exhibitions. These initiatives enhanced the competitiveness of our products in the global market.

g) Total foreign Exchange used and earned	(₹ in crore)	
	2010-11	2009-10
i) Foreign Exchange earned including direct exports.	38.56	40.34
ii) Foreign Exchange used	43.05	84.91

## FORM - A

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

	Current Year	Previous Year
A) Power and Fuel Consumption		
1. Electricity:		
a) Purchased: Units (lacs)	270.84	243.60
Total Amount (₹ lacs)	1647.71	1373.79
Rate/Unit (₹)	6.08	5.64
b) Own Generation		
i) Through Captive Power Plant: (M&W)		
Units (lacs)	17.45	81.37
Units per liter of Diesel/Furnace oil/Gas	3.12	3.78
Cost/Unit (₹)	7.92	5.51
ii) Through Captive Power Plant: (GT)		
Units (lacs)	514.30	508.53
Units per SCM of Gas	3.52	3.13
Cost/Unit (₹)	5.42	5.32
2. Furnace Oil: (Qty. Kilolitres)	468.68	1853.59
Total Amount (₹ lacs)	116.99	385.92
Average Rate (₹ / litre)	24.71	20.82
3. Others:		
a) Natural Gas		
Quantity Consumed in M3	5859.77	6321.50
Total cost (₹ lacs)	500.41	291.53
Rate/Unit (1000 m3) (₹)	8539.80	4611.70
b) RLNG Gas		
Quantity Consumed in (000) SCM	14593.14	8352.67
Total cost (₹ lacs)	2789.61	1391.56
Rate/Unit (000 SCM) (₹)	19115.88	16660.00
c) L.P.G.		
Quantity consumed (in lacs kgs)	31.37	34.57
Total cost (₹ in lacs)	1461.82	1319.25
Rate/unit (Kgs.) (₹)	46.60	38.16

	Standard	Current Year	Previous Year
<b>B) Consumption per unit of production:</b>			
1. Electricity (Units)			
Textile			
a) Fabrics on production meters basis	No	2.16	2.84
b) Yarn (per kg)	Specific	4.92	4.90
Plastic containers (per kg)	standard as such	0.57	0.56
Plastic section (per kg)	The consumption per unit depends On the Product Mix	0.90	0.89
Sheet moulding (per kg)		0.58	0.58
Thermoforming		2.77	1.47
2. Gas consumption (Textile – on production mtr. basis)		0.71	0.77
3. Others:			
a) Gas (M3)			
(Textile on production meters basis)		0.10	0.13
Plastic containers (Per kg)		0.22	0.21
Plastic sections (Per kg)		0.02	0.01
b) L.P.G.			
Plastic containers (Per kg)		0.25	0.24

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 and 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 major products as well as develop specialised applications on existing processes.
4. Expenditure on R & D	
a) Capital	Nil
b) Recurring	
c) Total	
d) Total R & D expenditure as a percentage of total turnover.	
<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 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 economy

India's GDP grew at a healthy 8.5 % in 2010-11 against 8.0% in 2009-10. This growth was largely due to a significant growth in the agriculture sector at 5.4% (0.4% in 2009-10); the services and industrial sectors maintained their previous year growth momentum. The accelerated growth in the industrial sector in the first half of 2010-11 at 10.2% was hit by instability in the capital goods segment in the second half of 2010-11.

The confidence in the Indian growth story was witnessed in the record FII inflows in the economy and the revival in domestic investor confidence which helped the Indian stock market regain pre-crisis record levels. Net capital inflows increased US\$ 13.7 billion to reach touch US\$ 36.7 billion as on March 31, 2010; foreign exchange reserves grew US\$ 20 billion to cross the US\$ 300 billion threshold – at about US\$ 305.49 billion.

Trade deficit expanded from US\$ 120.5 billion in 2009-10 to US\$ 132 billion as imports outpaced exports in absolute numbers. What is heartening is that export growth at 31.6% in 2010-11 surpassed growth in imports at 22.6% – highlighting the growing acceptance of the 'Made in India' tag. If a similar trend continues over the coming years, we can expect the trade deficit to decline.

Even as the macroeconomic numbers displayed a strong performance, they were marked by significant volatility evident not only in the numbers but also in the sentiments primarily driven by the global clues and policy responses to cater to inflation.

The headline inflation witnessed a relentless rise during the first half of 2010 and remained in double digits for almost five months of 2010. The uneven monsoon during 2009, domestic supply side constraints coupled with the rising international prices of food grains pushed the prices of primary food articles, which eventually drove inflation in the manufacturing goods and service sectors.

## Snapshot

Industry	2010-11	2009-10
Agriculture, forestry and fishing	5.4%	0.4%
Mining and quarrying	6.2%	6.9%
Manufacturing	8.8%	8.8%
Electricity, gas and water supply	5.1%	6.4%
Construction	8.0%	7.0%
Trade, hotels, transport and communication	11.0%	9.7%
Financing, insurance, realty and business services	10.6%	9.2%
Community, social and personal services	5.7%	11.8%

(Source: Prime Minister's Economic Advisory Council, PMEAC)

## Indian plastic industry

In the last two decades, the plastics industry in India has grown significantly to meet the ever-increasing demand from various user sectors. The Indian plastic industry maintained a healthy growth rate of 15% with a turnover of about ₹25,000 crore, capital investment of about ₹35,000 crore and production (inclusive of all types of processed plastics) of 8 million tonnes. India has about 22,000 plastic processing units with a total production of nearly 3.7 million tonnes and a consumption of 3.4 million tonnes. It currently exports US\$ 5.3 billion of finished plastic goods, which reflects a 15 per cent growth over last year. As a result, India's per capita consumption of plastics increased from 6 kgs in 2009 to 8 kgs in 2010 – significantly lower than the global average of 27 kgs – highlighting a huge growth opportunity over the coming years.

## Advantages of plastics

- Chemically inert
- Safe in contact with food and medicine
- Attractive and colourful
- Low maintenance
- Light weight
- High strength to weight ratio
- Non corrosive
- Durable
- Cheap
- Flexible
- Good thermal insulator
- Can be given any shape or size

## Outlook

The Indian plastics industry is expected grow to ₹1,33,245 crore by 2015, positioning India as the third-largest plastics consumer up from the eighth position currently. The per capita plastics consumption at 8 kgs is expected to reach 20-25 kgs over the same period.

## The Company and its performance

Sintex occupies a unique position in the Indian plastics processing sector – a concept creator. The Company offers a wide range of plastic products including storage solutions, prefabricated and monolithic structures, custom moulded products for both consumer and industrial segments and interior products. It was also presented with the prestigious Dun & Bradstreet Award, following several decades of pioneering efforts.

The plastics business registered a robust growth in 2010-11 from ₹2,938.01 crore in 2009-10 to ₹4,039.61 crore in 2010-11. This growth was largely due to a superior performance by the

monolithic construction division, the prefab and the custom moulding segments – the major contributors to the division's growth. Though the contribution of the plastics business in the consolidated revenue remained stable at 90%, the EBIDTA from the plastics business grew 37% from ₹557.00 crore in 2009-10 to ₹764.54 crore in 2010-11 – with its increased contribution to the consolidated EBIDTA to 19.38% in 2010-11.

### **Strategic developments, 2010-11**

- Acquired 30% of Durha Constructions Pvt. Ltd. which will strengthen its execution capabilities for its low cost housing segment and establish a presence in other infrastructure verticals.
- Acquired the remaining 17% stake in Wausauke Composites Inc. to make it a 100% subsidiary of Sintex, enabling the Company to take aggressive steps for expanding business operations to capitalise on opportunities.
- Created a new business vertical in the infrastructure for undertaking large water distribution and liquid waste management projects
- Renamed Zeppelin Mobile Systems India Ltd. to Zep Infratech Ltd. to positioning it as an infrastructure player and provider of related services.
- Initiated capital-intensive projects – setting up new manufacturing facilities on a pan-India basis to strengthen product availability, market share and profitability.

### **Developments in plastic business**

The MCC and custom moulding segment continues to be the major growth driver for the Company. In 2010-11, the Company's plastics business recorded a growth of 30%, contributing 84% to the gross turnover as compared with 83% in 2009-10.

#### **A. Building materials division**

As the name suggests, this segment comprises the monolithic construction and prefab segments and other products related to housing including its flagship water tanks. The monolithic construction is the critical business segment in this division contributing to the lion's share of revenue and profits.

#### **Monolithic concrete constructions**

The team delivered a number of projects in 2010-11, the prestigious among them being the government-funded Delhi low-cost housing project. More importantly, the Company made in-roads into new geographies namely Pune, Pondicherry, parts of Rajasthan and Uttar Pradesh in 2010-11. It received a large low-cost housing project near Lucknow. The Company is also moving up the value chain in a number of

ways:

- Undertaking housing projects for middle-income group (MIG), high-income group (HIG)
- Increasing its exposure to housing projects from housing boards, defence, police and the private sector
- Increasing its business volume by undertaking G+7 housing projects as against G+4 projects built earlier – highlighting its strengthening execution capabilities

The Company's acquisition of Durha Constructions Pvt. Ltd. will significantly strengthen its realty development capabilities and will allow the Company to establish a meaningful presence in other infrastructural projects. What is heartening is that despite delivering a larger number of projects, the Company's order book swelled between the end of 2010-11 and the end of 2009-10 – reflecting the increasing acceptance of this pioneering technology by a larger section of decision makers.

The Company working to emerge as a real estate developer, constructing houses on its own land in Rajasthan – a first-time initiative for the Company -- enabling it to chart new business models, leveraging the enactment of the new housing policy in the state. Additionally, it is also in the process of exploring different business models such as foraying into joint development agreements.

#### **Prefabricated structures**

The Company's prefab business is approved in 17 states -- active business in 15 states. Despite a slowdown in BT shelters for the second successive year, the Company's prefab business generated sizeable business.

Increased cost of traditional construction due to a steep increase in the price of steel, cement, labour enabled the Company to demonstrate the economic benefits along with the technical superiority of prefab construction.

The Company aggressively and successfully marketed its products for developing health and education infrastructure, in rural and hilly reach areas where conventional construction is not possible. The Company established its presence in the North-East by creating educational and health infrastructure. Prefabs were also used as check posts and shelters in diverse geographies. The Company is also developing a new business segment which will accelerate prefab business growth, which should see the light of day in the current year.

#### **Water tanks**

Water tanks are the flagship products of the Company, making the Sintex brand synonymous with water storage in

Indian households. The Company is the market leader in this product category. To strengthen its market share in this vertical, the Company undertook the following initiatives:

- Created seven tank variants differently branded for household water storage to cater to the entire spectrum of probable customers – ensuring that it has a water tank for every aspiration.
- Aggressively pursued marketing of niche value-added products namely large-sized underground tanks, extra-large surface and loft tanks for industrial applications and to government agencies.
- Initiated the expansion project at Namakkal (South India), Boti Bori (West) and Nalagarh (North), to increase saleable volumes and reduce operational and logistics costs.
- Introduced cutting-edge blow moulding and roto moulding technologies, resulting in high productivity and optimised production costs.

#### Interiors

This vertical comprised factory-made doors windows and large panels to replace laminates and plywood. The Company worked to strengthen its presence in these product categories through the various measures:

- Introduced multiple door variants -- new surface finishes and designs -- to meet diverse customer requirements
- Initiated a new customer category – marketed the factory-made doors to government agencies and used in government-initiated slum rehabilitation projects
- Introduced various designs and finishes in the plastic sections to generate increased volumes; expanded the distribution network to reach out to remote demand pockets, initiated carpenters training programmes to explain the benefits of using large boards, as a value-proposition against laminates and plywood
- Leveraged business relations with high-end realty developers for growing volumes for its factory-made windows

#### Sub-ground structures

Sub-ground structures generally comprise pollution management products and include manholes along with covers, septic tanks and packaged waste water treatment systems.

**Manholes:** The Company's manholes structures and covers found increasing acceptance among government authorities -- Goa, Gujarat, Maharashtra and Uttar Pradesh approved of this product in 2010-11. As a result, sales volumes increased significantly during 2010-11. The Company also successfully

marketed its product to the private sector road and highway builders – an opportunity which is expected to drive volumes over the coming years. Product approvals from corporates are expected in the current year.

**Septic tanks:** Growing liquid pollution generation due to urbanisation, and industrialisation and the inadequate and out-dated pollution management infrastructure of the Government, has created a huge demand for storage solution for liquid waste. The Company's septic tanks gained wide acceptance from government agencies due to its non-corrosive nature and its underground application, resulting in space saving. In 2010-11, this product received an approval from a number of government agencies.

**Packaged waste water treatment solution:** As an extension of its septic tanks, the Company introduced unique decentralised packaged waste water treatment solutions for diverse applications in rural, semi-urban and urban locations. These units are space, energy and cost-efficient, treated water from these units can be used for agriculture, horticulture or gardening applications.

They were successfully marketed in Kerala, Karnataka, Gujarat and outskirts of Delhi. Interestingly, the treated water from these systems can be used for all purposes other than human consumption – which could go a long way in reducing fresh water consumption. This product vertical is expected to emerge as a business over the coming years, considering the government's thrust on water conservation, recycling and waste management.

#### Environment products

This business segment provides products for solid waste management to the municipal authorities of various cities and towns. The products include storage boxes of various sizes for diverse applications, push carts, dumpers and containers. The Company successfully received sizeable orders from the Kolkata and other neighbouring municipalities, Chennai and Madurai municipalities.

### B. Custom moulding division

As the name suggests, this business division works closely with its customers to customize unique solutions. While the product development cycle is long, the revenue visibility is longer and profitability significantly higher than most product verticals in the building products segment.

#### Industrial containers, pallets and FRP tanks

**Industrial containers:** Increased industrial activity increased the demand for industrial containers significantly, growing business volumes for the Company. To accelerate its growth, the Company implemented the following measures:

- Created a strong team with field and channel partners for aggressive marketing
- Customised containers for usage in the textile, pharmaceutical and chemical sectors

**Pallets:** Increased production volumes in all industries, improved material handling systems by most corporates, greater application reliance on the hub-and-spoke distribution model for a pan-India presence and larger warehousing needs is growing the need for pallets on a pan-India basis. To capitalize on this opportunity, the Company strategised and implemented the following:

- Successfully expanded its opportunity canvas by marketing pallets to the automotive, engineering, warehousing and power sectors among others.
- Created diverse product variants specialised for diverse sectoral applications

– for example heavy duty pallets for heavy engineering segment, food and fisheries segment etc.

- Secured approvals from CWC and FCI, major pallet buyers in India.

**FRP tanks:** To grow its sales volumes, the Company intelligently marketed these products to non-oil dispensing Company – generating improved volumes. Additionally, IOC approval for the Company's FRP tanks was extended to its fuel dispensing stations across India (earlier restricted to the coastal area dispensing stations only). The Company launched underground chemical tanks factories – saving precious land. The double-walled underground tanks come with a state-of-the-art alarm system which prevents disaster in case of leakage.

#### **SMC products**

Sintex manufactures tamper proof SMC meter boxes, enclosures for meters, polymeric insulators and cross arms for

power transmission grids which forms an important part of the domestic custom moulding business.

Sintex expanded its reach on a pan-Indian scale and executed contracts for various power sector utilities in Tamil Nadu, Andhra Pradesh, Chhattisgarh, Delhi, Rajasthan and Madhya Pradesh.

Its products received acceptance in Gujarat, Maharashtra, UP and Karnataka.

Sintex leveraged its existing customer base consisting of both state electricity boards and private power-generating companies to tap new opportunities in the transmission and distribution of electricity.

#### **Insulated boxes, intermediate bulk containers**

The Company altered its marketing strategy to promote insulates boxes as part of cold chain solution – a new

government thrust area – especially in rural location which do not have access to electricity. The insulated business with large corporates namely Coke, Pepsi and ice-cream manufacturers sustained its pace.

**Custom moulding for OEMs**

The Company developed a number of

mainstream walling, partitioning and roofing materials. ECBC)-2007 (Energy Conservation Building Code) evolved by the government is expected to become mandatory for real estate creation which is expected to generate huge demand for sandwich panels in new buildings to comply with ECBC code.

products to its custom moulded basket for large and globally respected corporates. During the year, the Company analysed its processing capabilities to identify new opportunities which could be tapped. In doing so, the Company developed custom moulded products for cooling towers, stand-by batteries, electrical and switch gear application, packaging, auto components, generator sets, among others. Key developments in 2010-11 in the OEM business include:

- Generated sizeable business volumes from BEL for customised containers; commenced business volumes with Rafael, an Israeli Company for customised missile carrier boxes
- Developed a box for packaging enclosure for batteries for Nokia, the global telecom giant which was approved

- Developed customised enclosures for large corporate brands namely L&T and Crompton Greaves which is at various stages of approval
- Developed a packaging tray for alloy wheel hub for the automotive sector which is expected to deliver sizeable volumes going forward
- Developed a battery container for Tudor, a large brand in the battery space
- Grew business volumes with the automotive sector namely Holland and M&M for fuel tanks and Asian Motor Works for mud guards
- Scaled business volumes with Schneider (through its 100% subsidiary Bright Auto), also commenced business volumes with a second client of Nief (another 100% Sintex subsidiary) in India through Bright Auto
- Received new business from brand enhancing clients namely Gammon, Tata BP Solar, among others.
- Entered into tie-ups with Daichi (products to cater to Genera Motors), Hi Mac (products for car interiors) and Faurecia (interior and exterior car products).

## Exports

The Company introduced new products in existing markets and entered newer geographies to grow its export business. In 2010-11, the Company entered the US and West Indies and is looking to make in-roads into some Asian and African geographies.

## Future strategy

- Commission the greenfield capacities and strengthen its distribution network to reach increased volumes to the consumers
- Upgrade technologies to optimise operational costs and improve productivity and quality
- Develop new products and variants for new geographies, new clients and increase its application to newer sectors.
- Develop new marketing models for products and solutions to increase their offtake

## Indian Textile industry

The Indian textile and clothing market is currently pegged at US\$ 55 billion. It accounts for 14% of the total industrial production in India and accounts for 4% of the country's GDP. The textile sector in India recorded a growth of 7.5% in 2010-11 with about 17% of the country's export earnings. The cumulative exports figure from April-January 2010-11 reached ₹39,787 crore.

The sector attracted a cumulative FDI investment of US\$ 861.26

million between April 2000 and August 2010. In the recent budget, the government earmarked ₹3,000 crore for the Technology Upgradation Fund scheme (TUFs). The reduction of customs duty from 7.5% to 5% on certain textile intermediates will provide assistance to textile companies.

During April 2010 and February 2011, manufacture of cotton textiles grew 10.3% in 2010-11 as compared with a 5.2% growth in 2009-10.

Overall, the production of textile fabrics increased by 1.9 per cent during April-October 2010-11. This is a moderate performance when compared with the robust increase of 8.8 per cent during 2009-10. The decline in textile fabrics/cloth during the current financial year, was on account of comparatively lower growth rates in the production of mill, power loom and hosiery segments.

## India's cotton scenario

India is the second-largest producer and consumer of cotton in the world after China. It accounts for about 22% or 5.6 billion kg of the total world cotton production in 2010-11. The yield for cottons in India increased from a mere 300 kg/hectare in 2003 to 500kg/hectare currently. In India, cotton accounts for nearly 60% of the total fibre consumption. (Source: Confederation of the Indian Textile Industry, CITI)

## Total production, consumption and trade in cotton (Million bales)

Cotton year (1st Oct-30th Sep)	Production	Imports	Exports	Consumption
2006-07	28.0	0.5	5.8	23.2
2007-08	30.7	0.6	8.8	23.7
2008-09	29.0	1.0	3.5	22.9
2009-10	29.5	0.7	8.3	25.0
2010-11	32.9	0.5	5.5	27.5

## Outlook

The global per capita fibre consumption is expected to grow steadily in the long-term up to 11 -12 kg per capita by 2025, which means additional fibre consumption of about 20 million tons will be required. It is expected that the global textiles and apparels industry would grow at a CAGR of 6.3% in the next 8-10 years to reach US\$ 1 trillion by 2020.

The Indian textile and clothing market is expected to touch a US\$ 100 billion mark by 2015 from its current size at US\$ 55 billion. The textile and apparel exports market in India is expected to register a CAGR of 8% and 12% respectively to reach US\$ 22

billion and US\$ 21 billion respectively by 2015. The domestic textile and apparel demand is expected to register a CAGR of 10% to each US\$ 57 billion.

The 2010-11 union budget is sensitive to the needs of textile industry and will continue to provide the textile industry with a conducive policy environment to facilitate its growth, augment R&D efforts, and encourage innovation with a view to enhance productivity. The budget focuses on upgradation of technology, manufacturing processes and the development of human resources for this industry.

According to Mr. T. Kannan, the Chairman, CII National Committee on Textiles, increasing labour and wage costs is expected to dull China's competitive edge in the global textile trade. China currently accounts for 25% of the global textile industry and a drop of even 2-3% in its demand will provide a huge opportunity for India.

#### **The Company and its performance**

Sintex is a leading manufacturer of value-added textiles, marketing its products under the 'BVM brand'. The Company manufactures yarn-dyed structured fabrics for men's high-end structured shirting fabrics, yarn-dyed corduroy and ultima cotton yarn-based corduroy. It also develops fabrics for ladies wear.

The textiles business registered a robust growth in 2010-11 from ₹343.63 crore in 2009-10 to ₹435.53 crore in 2010-11. This growth was largely due to strong demand from the domestic and international markets, consequent to the revival in advanced economies. Despite the significant business growth, its contribution to the consolidated revenue declined marginal. The entry into textile retail through its ready-to-stitch products contributed significantly to business revenue. EBIDTA from the textiles business grew 49% from ₹68.87 crore in 2009-10 to ₹102.69 crore in 2010-11.

#### **Sintex's developments, 2010-11**

- Out sourced grey fabric for further processing in-house to suit client requirements to meet the growing demand
- Created a pan-India retail chain for its ready-to-stitch products.
- Modernised the manufacturing facility with sophisticated equipment for superior quality and higher productivity

#### **Developments in the textile business**

- Increased focus on yarn dyed products, added new finishes like teflone finish, stain guard, dura white, stay black, brushing finish, peaching finish, airo soft finish and nono care finish to its fabric for discerning clients

- Strengthened its presence in the furnishing business
- Added new clients to the existing customer base – domestic clients added include Soham Fashions, Mangla Apparels, Tex Fab, Saajan Textile and international clients include Tropical Garments, Ringhart, Mayoral, Esprit and Textil Renaue.
- Initiated sales of women's shirting fabric to Esprit for the first time – strengthening the business vertical

#### **Future strategy**

- Establish a retail presence in Tier-II and III cities for its ready-to-stitch products.
- Capacity expansion and identification of new buying houses to increase revenues.
- Increase sales volumes of women wear fabrics
- Advertising and branding exercise to spread awareness of the BVM products in the domestic markets
- Establish relations with additional buying houses for strengthening its international business.

#### **Risk management**

Sintex's risk mitigating initiatives is a result of its detailed risk management framework that 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's culture encourages a continuous learning environment, with result oriented meritocracy. During the year under review, the Company's employee strength touched 3,485 people. The management is actively engaged in imparting functional and attitudinal training to employees for improving 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 audit**

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 standard of Corporate Governance practices through continual improvement of internal systems and satisfaction of employees, customers, stakeholders and society.

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

- i. To ensure that adequate control systems exist to enable the Board of Directors ("Board") in effectively discharging 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 stakeholder value;
- iv. To ensure that the employees of the Company subscribe to the corporate values and apply them in their conduct; and
- v. To ensure that the Company follows globally recognised corporate governance practices.

### 1. Board of Directors

The Board of Directors guides, directs and oversees the

management and protects long term interests of all stakeholders including but not restricted to shareholders, employees and the society at large.

#### • 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 eleven Directors, six Directors are independent. Thus your Company has taken all necessary steps to strengthen the Board with optimum combination of executive and non-executive/ independent directors.

Independent Directors are those who apart from receiving sitting fees, does not have any pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company.

#### • 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, 2010; July 12, 2010; October 11, 2010 and January 13, 2011.

SL. No.	Date	Board strength	Number of Directors present	
			Chairman	Member
1	April 30, 2010	11	11	
2	July 12, 2010	11	11	
3	October 11, 2010	11	9	
4	January 13, 2011	11	10	

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.	Name of the Directors	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	4	Yes	1	—	1
3.	Ramnikbhai H. Ambani	I & N.E.D.	4	Yes	2	1	—
4.	Ashwin Lalbhai Shah	I & N.E.D.	4	Yes	—	—	—
5.	Rooshikumar V. Pandya	I & N.E.D.	4	Yes	2	—	1
6.	Indira J. Parikh	I & N.E.D.	3	No	3	—	—
7.	Dr. Rajesh B. Parikh	I & N.E.D.	4	Yes	—	—	—
8.	Dr. Lavkumar Kantilal	I & N.E.D.	4	No	—	—	—
9.	Rahul A. Patel* #	M.D.	3	Yes	2	—	1
10.	Amit D. Patel *#	M.D.	4	Yes	5	1	—
11.	S. B. Dangayach#	M.D.	3	Yes	2	—	—

# Executive

\* Promoters

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

## 2. Code of Conduct

The Company has 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 have been made by the Directors and Senior Management of the Company.

## 3. CEO Certification

A Certificate from the CEO/Managing Director in terms of Clause 49 (V) of the Listing Agreement relating to Annual Financial Statements 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 auditors and the 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, 2010; July 12, 2010; October 11, 2010 and January 13, 2011 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.	4

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 Company Secretary, President (F & A - Plastics), General Manager (F & A - Plastics), General Manager (F & A- Textile), Statutory Auditors and Internal Auditors. The quorum for the meetings of Audit Committee is 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 amended Clause 49 of the Listing Agreement. The Board of Directors has approved the following terms of reference for the Audit Committee

- 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.

- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.

- Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:

- Matters required being 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 that may have potential conflict with the interests of the Company at large.

- Reviewing, with the management, the quarterly financial statement before submission to the Board for approval.

Also reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- Reviewing, with the management, performance of external and internal auditors and the adequacy of internal control systems.

- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

- Reviewing with management, Management Discussion and Analysis of financial condition and results of operation.

- Discussions with internal auditors any significant findings and follow up thereon.

- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or 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 commence, about the nature and scope of the audit as well as have 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, debentures holders, shareholders (in case of nonpayment of declared dividends) and creditors.

## 5. Remuneration Committee

- Composition, meeting and attendance during the year

During the financial year ended on March 31, 2011, the Remuneration Committee met on April 30, 2010.

Name of Remuneration Committee member	Chairman/ Member	Category	No. of meetings attended
Ashwin Lalbhai Shah	Chairman	I & N.E.D.	1
Ramnikhbhai H. Ambani	Member	I & N.E.D.	1
Rooshikumar V. Pandya	Member	I & N.E.D.	1

The Company Secretary acts as the Secretary to the Committee.

- Terms of reference

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

- To determine & recommend to the Board the remuneration packages of the Chairman, the Vice-Chairman and the Managing Directors.
- To determine and advise the Board for the payment of annual commission/compensation to the Non-Executive Directors.
- 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

- 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 as per the Schedule XIII of the Companies Act 1956 as approved by the members. 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.

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

(Amount in ₹)

Name of the Director	Designation	Salary	Perquisites	Commission	Total
Dinesh B. Patel	Chairman	62,70,000	63,61,242	1,50,00,000	2,76,31,242
Arun P. Patel	Vice Chairman	62,70,000	61,93,246	1,50,00,000	2,74,63,246
Rahul A. Patel	Managing Director	52,80,000	50,69,211	1,50,00,000	2,53,49,211
Amit D. Patel	Managing Director	52,80,000	50,96,295	1,50,00,000	2,53,76,295
S.B. Dangayach	Managing Director	50,04,288	52,67,251	75,00,000	1,77,71,539

- The Company had granted 10,000 stock options on November 30, 2007 to Mr. S. B. Dangayach who is the Executive Director of the Company. During the year, on vesting and exercise of options, the Company has granted 20,000 Employee stock of ₹1 each to him.

The Chairman Mr. Dinesh B. Patel, Vice Chairman Mr. Arun P. Patel and Managing Directors Mr. Rahul A. Patel and Mr. Amit D. Patel being the promoters of the Company have not been granted any stock options in compliance with the SEBI Guidelines.

Non-Executive Directors are entitled to sitting fees for attending meetings of the Board and/or Committee thereof, the limits for which have been approved by the Remuneration Committee. The sitting fee is presently

₹10000/- for each meeting of the Board and/or Committee thereof. No other payments are made to Non-Executive Directors towards remuneration.

The detail of sitting fees paid to the Non-Executive Directors during the financial year ended on March 31, 2011 are as follows:

Name of the Director	Sitting fees (₹)
Ramnikhbhai H. Ambani	50,000
Ashwin Lalbhai Shah	1,30,000
Rooshikumar V. Pandya	90,000
Indira J. Parikh	30,000
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 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 is 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 & 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 have 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, 2011
Ramnikbhai H. Ambani	Nil
Dr. Rajesh B. Parikh	100
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. In addition, the Committee 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, 2010, July 12, 2010, October 11, 2010 and January 13, 2011.

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.	4

## Details of shareholders' complaints received

During the year ended March 31, 2011, the Company received 20 complaints in the nature of non-receipt of share certificates, dividend warrants, Annual Reports, demat credit, etc. and there are no complaints outstanding as on March 31, 2011. Normally all complaints are disposed of within 30 days. As on March 31, 2011 no shares transfer request is pending for a period of more than 30 days.

## • Investors' grievance redressal cell

The Company has designated Hitesh T. Mehta, Deputy Company Secretary as the compliance officer of the investors' grievance redressal cell. For the purpose of registering complaints by investors, the Company has designated an e-mail ID – share@sintex.co.in

## 7. Share and Debentures Transfer Committee

The Company has Share and Debentures Transfer Committee 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 issue including status of dematerialization / rematerialisation of shares and debentures.

The Committee comprises of two members, Mr. Dinesh B. Patel, the Chairman of the Committee and Mr. Arun P. Patel, the other member of the Committee. The Quorum for a committee meeting is one member. L.M. Rathod, Company Secretary acts as the secretary of the Committee.

The Board of Directors has delegated the power of approving transfer of shares/ debentures to the above Directors and the Company Secretary. The Board has designated L. M. Rathod, Company Secretary, as the compliance officer, who is primarily responsible for coordinating with the Registrar & Transfer Agents of the Company in order to ensure the process of share transfer is streamlined.

The Committee meets twice a month to approve transfer of the shares & debentures. The Committee also approves the share certificates submitted for dematerialization. Twenty four such meetings were held during the year.

## 8. General body meetings

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

AGM	Financial year (ended)	Date	Time	Venue
77th	March 31, 2008	September 15, 2008	10.30 am	Registered office Kalol (N.G.) 382721
78th	March 31, 2009	October 12, 2009	10.30 am	Registered office Kalol (N.G.) 382721
79th	March 31, 2010	September 23, 2010	10.30 am	Registered office Kalol (N.G.) 382721

All the resolutions including special resolutions set out in the respective notices were passed unanimously by the shareholders. There were 2 special resolutions passed by the Company in the previous three Annual General Meetings.

## 9. Subsidiary monitoring framework

All the subsidiary companies of the Company are managed with their Boards having the rights and obligations to manage such companies in the best of their stakeholders and 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, 2011 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 19 of Schedule 20 forming part of the annual accounts.

- The Company has a comprehensive and integrated risk management framework to effectively deal with uncertainty and associated risks and enhances 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 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 result for the fourth quarter is announced within a period of 45 days of completion of the financial year. These results are published, inter alia, in, Financial Express (Gujarati) Ahmedabad, Financial Express (English) Ahmedabad, Bangalore, Pune, Lucknow, New Delhi, Chandigarh, Kolkata, Chennai/Kochi.
- All quarterly results are also posted on our website - [www.sintex.in](http://www.sintex.in)
- The Company's website [www.sintex.in](http://www.sintex.in) contains a separate dedicated Section 'Investor Relation' where shareholder information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.
- 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 with the Directors' Report in this Annual Report.

## 12. General shareholding information:

## I Annual General Meeting

Date and Time : September 12, 2011 at 10:30 am

Venue : Sintex Industries Limited  
Registered Office,  
Kalol – 382 721 (N.G.),  
Dist. Gandhinagar, Gujarat, India.

## II Financial calendar (tentative)

First quarter results : July, 2011 (2nd week)

Half-yearly results : October, 2011 (2nd week)

Third quarter results : January, 2012 (2nd week)

Annual results : May, 2012 (1st week)

### III Dates of book closure

III Dates of book closure : September 3, 2011 to  
September 12, 2011 (both days  
inclusive)

#### IV Dividend payment date

IV Dividend payment date : On or after September 16, 2011

**V Unclaimed dividend** : The Company has transferred unclaimed dividends which had remained unclaimed upto the financial year ended March 31, 2003 to the Investors Education and Protection Fund ("IEPF"), established by the Central Government pursuant to Section 205C of the Companies Act. Dividends which remains unclaimed/ unpaid for a period of seven years from the financial year ended March 31, 2004 will be transferred by the Company to the aforesaid Fund, as and when 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 Char Rasta, Post: Polytechnic, Ahmedabad – 380 015	079 - 2630 7971 / 2 / 3
Bombay Stock Exchange Limited *Equity – 502742	25th Floor, P.J. Towers, Dalal Street, Mumbai – 400 001	022 - 2272 1233 / 34
National Stock Exchange of India Limited *Equity – Sintex EQ	Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	022 - 2659 8235 / 36 022 - 2659 8346
Singapore Exchange Securities Trading Limited Foreign Currency Convertible Bonds ("FCCB") *FCCB - XS0349182369	2 Shenton Way # 19 – 00 SGX Center 1 Singapore 068804	00 65 - 6236 8888
Bombay Stock Exchange Limited Secured Redeemable Non- Convertible Debentures ("NCD's") *NCDs – 946041 - ₹250 crore *NCDs – 946720 - ₹150 crore *NCDs – 946743 - ₹200 crore	25th Floor, 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
Central Depository Services (India) Limited	Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai – 400 001	022 - 2272 3333

**VIII Listing fees for the year 2011-2012 have been paid.**

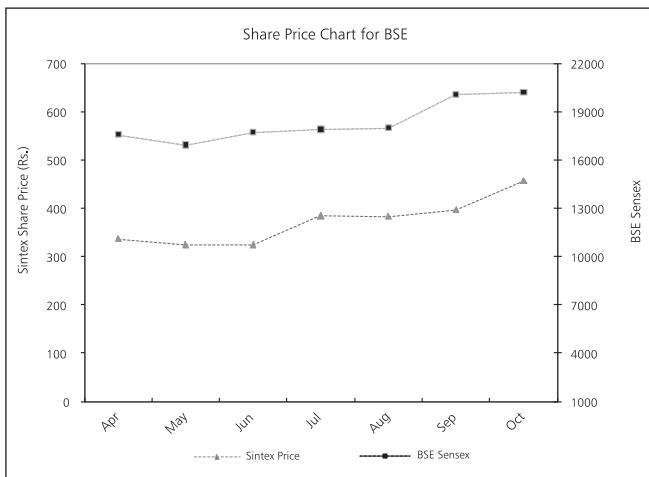
**IX Stock data :** Table 1 and 2 respectively give the monthly high and low prices and volumes of equity shares of Sintex Industries Limited at the Bombay Stock Exchange Limited and the National Stock Exchange Limited for the year ended March 31, 2011.

**Table 1: Monthly share price data and volumes, BSE**

Face value of stock has been split from ₹2 per share to ₹1 per share from October 27, 2010.

Month	High (₹)	Low (₹)	Volume (Nos)	Month	High (₹)	Low (₹)	Volume (Nos)
April 2010	337.00	289.00	3,522,810	From 27 October 2010	212.85	194.00	2,21,127
May 2010	325.00	262.00	1,341,208	November 2010	237.10	196.00	2,023,429
June 2010	324.90	269.00	2,389,106	December 2010	220.70	163.80	9,299,156
July 2010	383.90	312.00	8,021,192	January 2011	191.30	137.80	6,391,365
August 2010	381.95	336.65	958,903	February 2011	169.40	138.90	4,957,433
September 2010	396.70	350.00	2,299,244	March 2011	155.95	138.50	3,915,219
Upto 26th October 2010	457.60	384.65	4235702				

From April 2010 to October 26, 2010 (Before stock Split)



From October 27, 2010 to March 2011 (After Stock Split)

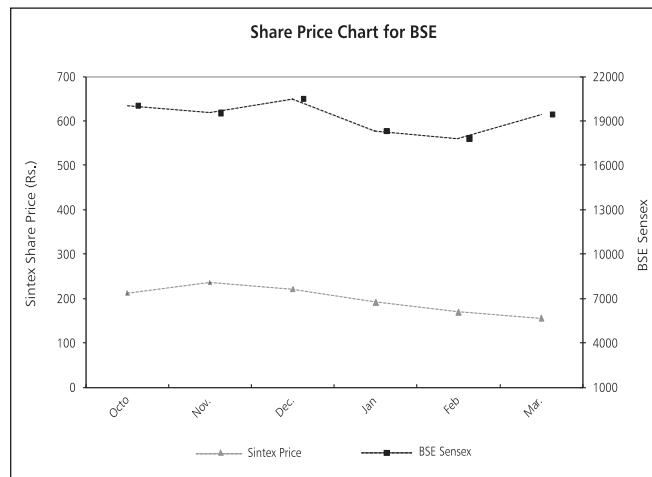


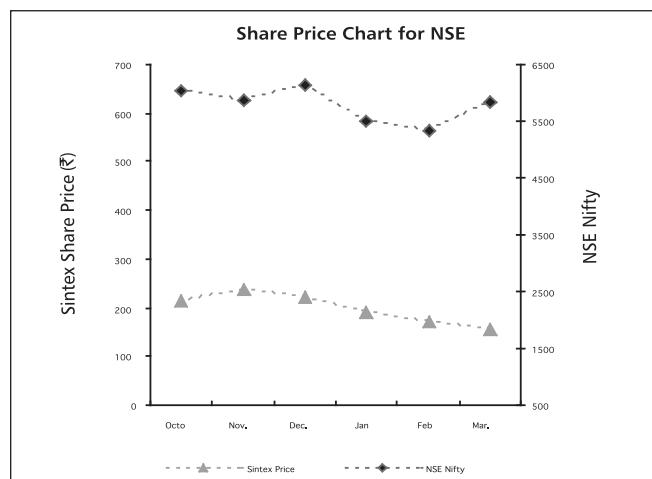
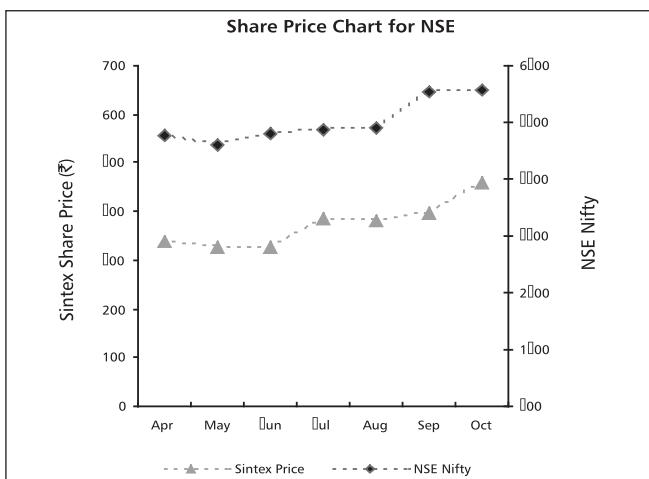
Table 2: Monthly share price data and volume, NSE

Face value of stock has been split from ₹2 per share to ₹1 per share from October 27, 2010.

Month	High (₹)	Low (₹)	Volume (Nos)	Month	High (₹)	Low (₹)	Volume (Nos)
April 2010	336.85	289.50	12,104,509	From 27 October 2010	212.95	194.05	1,673,311
May 2010	325.00	262.05	6,746,315	November 2010	237.00	195.00	14,992,952
June 2010	325.00	269.15	9,422,345	December 2010	221.00	163.35	38,826,749
July 2010	383.65	310.25	14,262,276	January 2011	191.40	137.80	32,843,458
August 2010	382.80	348.00	7,654,731	February 2011	169.80	138.80	31,090,379
September 2010	397.40	348.00	15,306,001	March 2011	155.90	137.90	24,834,920
Upto 26th October 2010	458.00	385.00	22,277,325				

From April 2010 to 26th October 2010 [Before Stock Split]

From 27th October 2010 to March 2011 [After Stock Split]



**X** Registrar or transfer agents M/s. Sharepro Services (India) Private Limited are appointed as Registrar and Transfer Agents (R & T) of your Company for both Physical and Demat Shares. The address is given below:  
 Sharepro Services (India) Pvt. Ltd  
 416-420, 4th Floor, Devnandan Mall,  
 Op. Sanyas Ashram, Ellisbridge,  
 Ahmedabad-380 006  
 Phone: (O) 91-79-26582381 to 84  
 Fax: 91-79-26582385  
 E-mail: sharepro.ahmedabad@shareproservices.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 Reconciliation of Share Capital 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 Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and 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 dematerialized 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 dematerialization of the shares of the Company and for conducting a Reconciliation of Share Capital Audit on a quarterly basis for reconciliation of the share capital of the Company.

XIII Distribution of Shareholding as on March 31, 2011:

Category of number of Equity Shares held	No. of Equity Shares held	% of Shares held	No. of Shareholders	% of Shareholders
Up to 2500	12591528	4.61	55224	97.59
2501 – 5000	2280070	0.84	640	1.13
5001 – 10000	2113166	0.78	293	0.52
10001 – 15000	966096	0.35	76	0.14
15001 – 20000	968495	0.35	53	0.09
20001 – 25000	411735	0.15	18	0.03
25001 – 50000	2664067	0.98	75	0.13
50001 & Above	250995709	91.94	207	0.37
<b>Total</b>	<b>272990866</b>	<b>100.00</b>	<b>56586</b>	<b>100.00</b>

XIV Categories of Shareholders as on March 31, 2011:

Category	No. of Shares held	% of Shares held	No. of Shareholders	% of Shareholders
Promoters Holding	95430390	34.96	27	0.05
Residential Individuals	30517685	11.18	53966	95.37
Financial Institutions/Banks	43270	0.02	11	0.02
Mutual Funds/UTI	17022668	6.24	40	0.07
NRIs / OCBs	1053651	0.39	1213	2.14
Insurance Companies	6994392	2.56	4	0.01
FII	90936825	33.30	143	0.25
Domestic Companies	30991985	11.35	1182	2.09
<b>Total</b>	<b>272990866</b>	<b>100.00</b>	<b>56586</b>	<b>100.00</b>

XV Dematerialisation of shares and liquidity : About 98% of the outstanding shares have been dematerialized as on March 31, 2011. 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 Limited, National Stock Exchange of India Limited, and Ahmedabad Stock Exchange Limited.

XVI Issue of non-convertible: Debentures of ₹350 crore On June 1, 2010 & June 24, 2010, the Company issued 9.00% secured redeemable non-convertible debentures aggregating to ₹350 crore (₹150 crore and ₹200 crore respectively) to LIC of India on private placement basis to meet ongoing capital expenditure and long term working capital requirement.

The Debentures would be redeemable in two tranches at the end of fifth 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 US\$ 225 million zero coupons foreign currency convertible bonds (FCCBs) raised by the Company on March 12, 2008 during 2010-11, no FCCBs were converted into equity shares. The bondholders are entitled to apply for equity shares at a reset price of ₹246.50 per share with a fixed rate of exchange on conversion of ₹40.53 to US\$ 1. On full conversion of FCCBs paid up capital of the Company will increase by 36994928 equity shares of ₹1 each amounting to ₹3.70 crore.
XVIII Plant locations	The Company's plastic plants are located at Kalol (N.G.), Bangalore, Kolkata, Daman, Baddi, Bhachau (Kutch), Nagpur, Nalagarh and Salem while its textile plant is located at Kalol (N.G.).
XVIII Investors correspondence	For any assistance regarding dematerialization of shares, shares transfers, transmissions, change of address, non-receipt of dividend and any other query relating to the shares of the Company, please write to the Share Transfer Agent of the Company.

## Declaration

It is hereby declared that the Company has obtained affirmation from all the Members of the Board and Senior Management that they have complied with the "Code of Conduct for Board of Members and Senior Management of the Sintex Industries Limited" for the year ended on March 31, 2011.

Place: Ahmedabad  
Date : April 30, 2011

Amit D. Patel  
*Managing Director*

## 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, 2011, 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 was 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 of 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 the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells  
*Chartered Accountants*  
(Registration No. 117365W)

Place: Ahmedabad  
Date : April 30, 2011

**Gaurav J. Shah**  
*Partner*  
Membership No. 35701

# Auditors' Report

To the Members of  
Sintex Industries Limited

1. We have audited the attached Balance Sheet of **SINTEX INDUSTRIES LIMITED** ("the Company") as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both 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 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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, in the year 2008-09 the Company earmarked ₹200 crore from Securities Premium Reserve to International Business Development Reserve Account (the "IBDR") and has adjusted against the earmarked balance of IBDR, ₹187.73 crore upto March 31, 2011 (including ₹46.47 crore during the year) 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 such 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 by ₹187.73 crore as at March 31, 2011 and profit after tax would have been lower by ₹46.47 crore for the year ended on March 31, 2011.
4. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) 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 in paragraph 4 above, we report as follows:
  - a) 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;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;
  - e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts 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:
    - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
    - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
    - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date
6. On the basis of the written representations received from the Directors as on March 31, 2011 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2011 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Registration No. 117365W)

Ahmedabad  
Date: April 30, 2011

Gaurav J. Shah  
Partner  
Membership No. 35701

# Annexure to the Auditors' Report

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

- i) Having regard to the nature of the Company's business/activities/result, clauses (x), (xiii) and (xiv) of CARO are not applicable.
- ii) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- iii) In respect of its inventory:
  - a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed 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, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- vi) According to the information and explanation given to us, there were no contracts or arrangement referred to in Section 301 of the Companies Act, 1956 which were required to be entered in the register maintained under that section.
- vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956.
- viii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- ix) We have broadly reviewed the books of account 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 in respect of textile division and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

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

a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2011 for a period of more than six months from the date they became payable.

c) Details of dues of Value Added Tax and Central Sales Tax which have not been deposited as on March 31, 2011 on account of disputes are given below:

Statue	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (₹ in crores)
Central Sales Tax Act, 1956	Central Sales Tax	Joint Commissioner, Uluberia, West Bengal	2008-09	0.25
Central Sales Tax Act, 1956	Central Sales Tax	CTO Circle C, Jaipur, Rajasthan	2007-08 & 2008-09	0.43
Rajasthan Value Added Tax Act, 2003	Value Added Tax	CTO Circle C, Jaipur, Rajasthan	2007-08 & 2008-09	1.67

xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.

xii) 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.

xiii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company.

xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

xv) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.

xvi) 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.

xvii) According to the information and explanations given to us, during the period covered by our audit report, the Company had issued 3500 - 9% Secured Redeemable Non-Convertible Debentures of ₹10,00,000 each. The Company has created security in respect of the debentures issued.

xviii) The Management has disclosed the end use of money raised by FCCB issue as per Note no.5 of schedule-20 and we have verified the same.

xix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells  
*Chartered Accountants*  
 (Registration No. 117365W)

Gaurav J. Shah  
 Ahmedabad  
 Date: April 30, 2011  
*Partner*  
 Membership No. 35701

# Balance Sheet As at March 31, 2011

(₹ in crore)

As at	Schedules	31.03.2011	31.03.2010
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds			
Share Capital	1	27.11	27.10
Reserves & Surplus	2	2145.31	1855.02
		2172.42	1882.12
Loan Funds			
Secured Loans	3	1391.35	1058.72
Unsecured Loans	4	1104.63	1115.65
		2495.98	2174.37
Deferred Tax Liability (Net)		192.83	152.15
(Refer Note 17-Schedule 20)			
<b>Total</b>		<b>4861.23</b>	<b>4208.64</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets			
Gross Block	5	2313.28	1773.64
Less: Depreciation		524.73	437.05
Net Block		1788.55	1336.59
Capital Work in Progress		121.06	136.75
		1909.61	1473.34
Investments	6	1123.64	807.94
Current Assets, Loans & Advances			
Inventories	7	174.69	168.70
Sundry Debtors	8	838.12	677.06
Cash & Bank Balances	9	900.44	815.04
Loans & Advances	10	523.89	789.26
		2437.14	2450.06
Less: Current Liabilities & Provisions	11	609.16	522.70
Net Current Assets		1827.98	1927.36
Miscellaneous Expenditure	12	—	—
(To the extent not written off or adjusted)			
<b>Total</b>		<b>4861.23</b>	<b>4208.64</b>
Significant Accounting Policies	19		
Notes on Accounts	20		

As per our attached  
report of even date

Dinesh B. Patel

Chairman

Ramnikbhai H. Ambani

Director

For Deloitte Haskins & Sells  
Chartered Accountants

Arun P. Patel

Vice Chairman

Ashwin Lalbhai Shah

Director

Rahul A. Patel

Managing Director

Dr. Rajesh B. Parikh

Director

Amit D. Patel

Managing Director

Dr. Lavkumar Kantilal

Director

Rooshikumar V. Pandya

Director

Gaurav J. Shah

Partner

Membership No. 35701

L. M. Rathod

Company Secretary

Ahmedabad

Ahmedabad

Date : April 30, 2011

Date : April 30, 2011

# Profit and Loss Account

For the year ended March 31, 2011

For the year ended	Schedules	31.03.2011	(₹ in crore) 31.03.2010
<b>INCOME</b>			
Gross Sales		2718.74	2103.56
Less: Excise duty and Sales Tax		102.77	93.01
Net Sales		2615.97	2010.55
Other Income	13	60.01	96.91
Increase/(Decrease) in Finished and Process Stocks	14	(5.36)	(13.97)
		2670.62	2093.49
<b>EXPENDITURE</b>			
Raw Materials Consumed	15	1657.69	1272.89
Employees' Emoluments	16	93.15	85.24
Manufacturing and Other Expenses	17	265.02	258.53
Interest and Finance Charges	18	86.82	51.32
Depreciation and Amortisation		89.25	84.03
		2191.93	1752.01
<b>Profit before tax</b>		478.69	341.48
Provision for Taxation			
Current Tax		95.48	58.05
MAT Credit		(22.09)	(18.54)
Deferred Tax		40.68	21.46
		114.07	60.97
		364.62	280.51
Excess/(Short) provision for taxation in earlier years (Net)		(7.06)	(6.81)
<b>Profit after tax</b>		357.56	273.70
Balance brought forward from previous year		888.60	674.17
<b>Profit available for appropriations</b>		1246.16	947.87
<b>APPROPRIATIONS</b>			
Proposed Dividend- Equity shares		17.74	16.38
Tax on Dividend		2.84	2.67
General Reserve		40.00	30.00
Debenture Redemption Reserve		28.58	10.22
Balance carried to Balance Sheet		1157.00	888.60
<b>Total</b>		1246.16	947.87
<b>Earnings per share (Refer Note 18 of Schedule 20)</b>			
Basic (In ₹)		13.19	10.10
Diluted (In ₹)		13.19	10.10
Significant Accounting Policies	19		
Notes on Accounts	20		

As per our attached  
report of even date

Dinesh B. Patel      *Chairman*  
Arun P. Patel      *Vice Chairman*  
Rahul A. Patel      *Managing Director*  
Amit D. Patel      *Managing Director*

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

For Deloitte Haskins & Sells  
Chartered Accountants

Gaurav J. Shah  
*Partner*  
Membership No. 35701

L. M. Rathod  
*Company Secretary*  
Ahmedabad  
Date : April 30, 2011

Ahmedabad  
Date : April 30, 2011

# Cash Flow Statement

For the year ended March 31, 2011

(₹ in crore)

For the year ended	31.03.2011	31.03.2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	478.69	341.48
Adjustments for :		
Profit on sale of fixed assets & Investments	(15.28)	(8.67)
Unrealised Foreign Exchange (Gain)/Loss (Net)	75.16	(14.98)
Interest Income	(37.32)	(33.00)
Dividend Income	(0.85)	(0.22)
Depreciation	89.25	84.03
Interest and Financial Charges	86.82	51.32
Provision for Doubtful debts and advances	0.76	–
Employees Compensation Expenses	7.53	10.27
Miscellaneous expenditure written off	–	0.17
	206.07	88.92
Operating profit before working capital changes	684.76	430.40
Adjustments for :		
Trade & other receivables	125.95	(563.54)
Inventories	(5.99)	12.45
Trade payables	81.22	(58.92)
	201.18	(610.01)
Cash generated from / (used in) operations	885.94	(179.61)
Direct taxes paid (Net)	(79.79)	(66.64)
Net cash generated from/(used in) Operating Activities - (A)	806.15	(246.25)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(465.47)	(94.25)
Sale of fixed assets	0.44	1.06
Investment in Subsidiary and others		
including share application money	(285.83)	(82.41)
Sale of investment	13.00	–
Loans given (to)/received from subsidiaries	(21.48)	32.99
Expenses relating to Debenture Issue	(8.10)	–
Interest received	35.72	29.63
Dividend received	0.85	0.22
Net cash (used in) Investing Activities - (B)	(730.87)	(112.76)

# Cash Flow Statement (Contd..)

		₹ in crore	
For the year ended		31.03.2011	31.03.2010
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from Equity Shares including securities premium	0.36		
Proceeds from borrowings	427.31	339.10	
Unsecured Loan from Bank	100.00	100.00	
Interest paid	(143.47)	(95.37)	
Repayment of borrowings	(194.68)	(72.36)	
Dividend paid	(19.02)	(17.51)	
<b>Net Cash from Financing Activities - (C)</b>	<b>170.50</b>		<b>253.86</b>
Net changes in Cash and Cash Equivalents (A+B+C)	245.78		(105.15)
Add: cash and cash equivalents-opening balance	941.35		1046.50
<b>Cash and Cash equivalents-closing balance</b>	<b>1187.13</b>		<b>941.35</b>

## Notes:

As at	31.03.2011	31.03.2010
<b>1 Cash and Cash equivalents include:</b>		
Cash on hand	0.71	0.52
With Scheduled Banks:		
In Current Accounts	42.94	71.73
In Fixed Deposit (Out of above ₹142.49 crore (Previous year 47.91 crore) under lien to bank)	854.71	737.68
	897.65	809.41
With Non Scheduled Banks:		
In Current Accounts	2.08	5.11
Short Term Investments	281.92	207.72
Cash and Cash equivalents	1182.36	1022.76
Effect of Foreign exchange rate changes	4.77	(81.41)
<b>Cash and Cash equivalents as restated</b>	<b>1187.13</b>	<b>941.35</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	Dinesh B. Patel	Chairman	Ramnikbhai H. Ambani	Director
	Arun P. Patel	Vice Chairman	Ashwin Lalbhai Shah	Director
	Rahul A. Patel	Managing Director	Dr. Rajesh B. Parikh	Director
For Deloitte Haskins & Sells	Amit D. Patel	Managing Director	Dr. Lavkumar Kantilal	Director
Chartered Accountants			Rooshikumar V. Pandya	Director

Gaurav J. Shah  
*Partner*  
Membership No. 35701

Ahmedabad  
Date : April 30, 2011

L. M. Rathod  
*Company Secretary*  
Ahmedabad  
Date : April 30, 2011

## Schedules forming part of the Balance Sheet

(₹ in crore)

As at	31.03.2011	31.03.2010
<b>Schedule - 1   SHARE CAPITAL</b>		
<b>Authorised</b>		
50,00,00,000 (previous year 50,00,00,000) Equity Shares of ₹1 each	50.00	50.00
15,00,000 (previous year 15,00,000) Preference Shares of ₹100 each	15.00	15.00
<b>Total</b>	<b>65.00</b>	<b>65.00</b>
<b>Issued</b>		
27,30,22,666 (previous year 27,30,22,666) Equity Shares of ₹1 each	27.30	27.30
<b>Total</b>	<b>27.30</b>	<b>27.30</b>
<b>Subscribed &amp; Paid Up</b>		
27,29,90,866 (previous year 27,29,90,866) Equity Shares of ₹1 each	27.30	27.30
Less:- Amount recoverable from ESOP Trust (face value of Equity Shares allotted to the Trust)	0.19	0.20
<b>Total</b>	<b>27.11</b>	<b>27.10</b>

**Of the above equity shares:**

- During the year, each equity share of ₹2 each has been sub-divided into Two Equity Shares of ₹1 each, hence all related reference for the prior periods have been restated for the sake of comparability.
- During the year, 77,000 equity shares have been allotted to the employees on exercise of options granted to them under the Sintex Industries Ltd. Employees' Stock Option Scheme, 2006.
- 2,50,000 equity shares were issued as fully paid-up pursuant to contract without payment being received in cash.
- 1,49,11,300 equity shares were allotted as fully paid-up Bonus Shares by capitalising General Reserve, Securities Premium Reserve and Capital Reserve.

<b>Schedule - 2   RESERVES AND SURPLUS</b>			
<b>Capital Reserve</b>			
Balance as per last Balance Sheet		47.80	47.80
Securities Premium Reserve			
Balance as per last Balance Sheet *	673.48		673.48
Less: Expenses relating to Debenture issue	8.10		—
Add: Amount received from ESOP Trust	0.35		—
Add: Transferred from Employees Stock Option Outstanding on issuance of equity shares to employees	1.39		—
		667.12	673.48
* Include ₹34.26 crore (previous year ₹36.01 crore) recoverable from ESOP Trust (Premium on equity shares allotted to the Trust)			
<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	11.40		1.74
Add: Transferred from Profit and Loss Account	28.58		10.22
Less: Transferred to General Reserve	—		0.56
		39.98	11.40
<b>International Business Development Reserve Account ("IBDR")</b>			
(Refer note 4 of Schedule 20)			
Balance as per last Balance Sheet	58.74		69.27
Less: Adjusted against investment in a subsidiary	46.47		10.53
		12.27	58.74
<b>General Reserve</b>			
Balance as per last Balance Sheet	137.68		107.12
Add: Transferred from Debenture Redemption Reserve	—		0.56
Add: Transferred from Profit and Loss Account	40.00		30.00
		177.68	137.68
<b>Employees Stock Option Outstanding</b>			
Balance as per last Balance Sheet	22.27		12.00
Add: Amortisation during the year for Employee Compensation Expense	7.53		10.27
Less: Transferred to Securities Premium Reserve on issuance of equity shares to employees	1.39		—
		28.41	22.27
<b>Balance of the Profit and Loss Account</b>		1157.00	888.60
<b>Total</b>		<b>2145.31</b>	<b>1855.02</b>

# Schedules forming part of the Balance Sheet

(₹ in crore)

As at	Note	31.03.2011	31.03.2010
<b>Schedule - 3 SECURED LOANS</b>			
A. Debentures	1 & 2	600.00	250.00
B. From Banks:			
a) Cash Credit Accounts	3	469.91	392.59
In Rupees			
b) Term Loans	4	321.44	409.70
In Rupees			
C. From Financial Institutions			
Term Loans	4	—	6.43
In Rupees			
<b>Total</b>		<b>1391.35</b>	<b>1058.72</b>

Notes:

- 2,500 (Previous year 2,500) - 11.5% Secured Redeemable Non Convertible debentures of ₹10,00,000/- each, issued to Life Insurance Corporation of India are redeemable at par in three equal annual installments starting from February 18, 2016. The Debentures are secured by first mortgage charge on all the movable & immovable assets, both present & future, of the Company on rank pari passu basis.
- 3,500 (previous year NIL) - 9.00% Secured Redeemable Non Convertible Debentures of ₹10,00,000/- each, issued to Life Insurance Corporation of India are redeemable at par, in two tranches-1,500 Debentures (₹150 crore) on June 1, 2015 and 2000 Debentures (₹200 crore) on June 24, 2015. The Debentures are secured by way of first mortgage charge on all the movable & immovable assets, both present & future, of the Company on rank 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 and movable properties of the Company, both present and future, except on specified current assets and book debts on which prior charge created in favour of the Banks for working capital facilities.
- Out of above loans, amount payable within 12 months is ₹80.12 crore (previous year ₹94.60 crore)

<b>Schedule - 4 UNSECURED LOANS</b>			
Zero Coupon Foreign Currency Convertible Bonds		1004.63	1015.65
From Banks		100.00	100.00
<b>Total</b>		<b>1104.63</b>	<b>1115.65</b>

Note: Out of above loans, amount payable within 12 months is ₹100.00 crore (previous year ₹100.00 crore).

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 01.04.2010	Additions	On Sales / Adjustments	As at 31.03.2011	Upto 01.04.2010	For the year	On Sales / Adjustments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
	1	2	3	4	5	6	7	8	9	10
<b>Tangible Assets</b>										
Land	24.64	42.48	—	67.12					67.12	24.64
Building	138.67	15.31		153.98	20.25	4.62	—	24.87	129.11	118.42
Plant & Machinery	1571.85	477.14	0.76	2048.23	394.90	79.99	0.65	474.24	1573.99	1176.95
Furniture, Fixture & Office equipments	14.38	1.38		15.76	8.40	1.02	—	9.42	6.34	5.98
Vehicles	16.18	5.04	1.10	20.12	9.22	2.45	0.92	10.75	9.37	6.96
<b>Total Tangible Assets</b>	<b>1765.72</b>	<b>541.35</b>	<b>1.86</b>	<b>2305.21</b>	<b>432.77</b>	<b>88.08</b>	<b>1.57</b>	<b>519.28</b>	<b>1785.93</b>	<b>1332.95</b>
<b>Intangible Assets (Other than internally generated)</b>										
Technical know how	3.19	—	—	3.19	2.50	0.20	—	2.70	0.49	0.69
Computer Software	4.73	0.15	—	4.88	1.78	0.97	—	2.75	2.13	2.95
<b>Total Intangible Assets</b>	<b>7.92</b>	<b>0.15</b>	<b>—</b>	<b>8.07</b>	<b>4.28</b>	<b>1.17</b>	<b>—</b>	<b>5.45</b>	<b>2.62</b>	<b>3.64</b>
<b>Total Fixed Assets</b>	<b>1773.64</b>	<b>541.50</b>	<b>1.86</b>	<b>2313.28</b>	<b>437.05</b>	<b>89.25</b>	<b>1.57</b>	<b>524.73</b>	<b>1788.55</b>	<b>1336.59</b>
Previous Year	1575.11	199.95	1.42	1773.64	353.82	84.03	0.80	437.05	1336.59	
Capital work in progress									121.06	136.75

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

2) Additions to Fixed Assets and Capital work in progress include capitalisation of borrowing costs pertaining to qualifying assets of ₹60.35 crore (previous year ₹47.13 crore) and ₹25.10 crore (previous year ₹32.06 crore) respectively.

# Schedules forming part of the Balance Sheet

(₹ in crore)

	Face Value ₹	As at 31.03.2011		As at 31.03.2010	
		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	30200	0.09	30200	0.09
In Equity Shares (Fully paid up)					
Trade, Unquoted					
In subsidiary companies					
Zeppelin Mobile Systems India Ltd.	10	1298600	111.00	1298600	111.00
Sintex Holdings B.V. Netherland	EURO 1	71029893	617.77	71029893	374.88
Less : Adjusted against IBDR (Refer Note 4 of Schedule 20)			46.47		10.53
			571.30		364.35
Bright AutoPlast Ltd.	10	5010000	50.03	5010000	50.03
Sintex Infra Projects Limited	10	1000000	47.55	50000	0.05
In others :					
Sintex Oil and Gas Limited	10	50000	0.05	10000	0.01
Sintex International Ltd.	10	900000	3.00	900000	3.00
BVM Finance Pvt. Ltd.	10	1738000	8.69	1738000	8.69
In Preference Shares (Fully paid up)					
Trade, Unquoted					
In subsidiary Company					
Bright AutoPlast Ltd.	100	5000000	50.00	5000000	50.00
In Debentures					
Non - Trade, Unquoted					
Prakausali Investments (I) Pvt. Ltd. - 12.75%	1000000	80	—	80	8.00
Churu Trading Co. Pvt. Ltd. - 11.25%	5000000	10	—	10	5.00
ii) Current Investments					
Non- Trade, Unquoted					
Mutual funds					
Birla Sunlife Dynamic Bond Fund-Retail-G	10	2707279	4.02	17721089	26.54
Birla Sunlife STP 1	10	4825	0.01	—	—
Birla Sunlife STP 5	10	148859	0.23	—	—
Templeton India Short Term Income Plan Inst.-G	1000	209122	30.00	—	—
Kotak Bond (Short Term) - Growth	10	5589320	10.26	—	—
HDFC Cash Management Fund-TAP Wholesale G	10	4804493	10.21	—	—
Tata Floater Fund-Growth	10	6829062	10.00	—	—
Templeton India Income Opp. Fund- G	10	4675563	5.00	—	—
Birla Sunlife Short Term Opportunities Fund-Institutional G	10	17946716	20.00	—	—
Religare Credit Opportunities Fund-Institutional G	10	13713533	15.00	—	—
Magnum Income Fund FR Savings Plus Bond Plan-G	10	13211174	20.00	—	—
Axis Treasury Advantage Fund-Institutional G	1000	91993	10.00	—	—
UTI Treasury Advantage Fund-Institutional Plan G Option	1000	75881	10.00	—	—
Fidelity Ultra Short Term Debt. Fund-Institutional G	10	3937101	5.00	—	—
Templeton India Ultra Short Bond Fund Super Institutional Plan-Growth	10	7908702	10.00	—	—
IDFC MMF TPA-Growth	10	17632	0.03	—	—
IDFC Imperial Equity Fund-Plan A G	10	64001	0.12	—	—
HDFC CMF Tap- R.G	10	7278	0.01	—	—
HDFC Top 200 Fund G	100	6130	0.13	—	—
HDFC Core and Satellite Fund	10	31472	0.12	—	—
HDFC Equity Fund G	100	4657	0.12	—	—
HDFC Top 200 Fund G	100	6154	0.12	—	—
IDFC Imperial Equity Fund-Plan A G	10	64525	0.12	—	—
HDFC Top 200 Fund G	100	636	0.01	—	—
HDFC cash Magnt. Fund Treasury Adv. Plan RG	10	14254	0.03	—	—
HDFC Equity Fund G	100	934	0.03	—	—
HDFC Top 200 Fund - G	100	1237	0.03	—	—
Reliance Liquid Fund Treasury Plan Retail Option Growth Option Growth Plan	10	9891	0.02	—	—
Reliance Banking Fund	100	733	0.01	—	—
Kotak Floater Long Term-Growth	10	14302	0.02	—	—
Kotak MID CAP	10	3427	0.01	—	—
DSP BlackRoack Money Manager Fund-Regular Plan Growth	1000	322	0.04	—	—
DSP BlackRoack Micro Cap Fund R-	10	5971	0.01	—	—

# Schedules forming part of the Balance Sheet

(₹ in crore)

	Face Value ₹	As at 31.03.2011		As at 31.03.2010	
		Nos./Units	Amount	Nos./Units	Amount
<b>Schedule - 6   INVESTMENTS (AT COST) (Contd...)</b>					
IDFC Premier Equity Fund Plan A	10	3051	0.01	—	—
DSP Black Rock Small and Mid Cap Fund - R	10	5266	0.01	—	—
Reliance Monthly Interval Fund-Series-Institutional G Plan	10	15093314	20.00	—	—
Reliance Money Manager Fund Institutional Option-G	10	115612	15.27	—	—
BNP Paribas Money Plus Institutional Growth	10	6988205	10.20	—	—
HDFC High Interest Fund-Short Term Plan-Growth	10	262183	0.50	—	—
Templeton India Income Opportunities fund-Growth	10	1890073	2.00	—	—
IDFC Fixed Maturity Yearly Series 32 Growth	10	2500000	2.50	—	—
Birla Sunlife govt. Securities Long Term Growth	10	726908	2.00	—	—
Templeton India Short Term Income Retail Plan Growth	100	10563	2.00	—	—
IDFC Money Manager Fund Treasury Plan Super Inst. Plan C Growth	10	312	—	—	—
HDFC Cash Manager Fund-Treasury Advantage Plan-Wholesale-Growth	10	2928	0.01	—	—
IDFC FMP- Yearly Series 42-Growth	10	1488300	1.49	—	—
Reliance Medium Term Fund R.P. Growth Plan	10	257664	0.51	—	—
IDFC FMP-Half Yearly Series-12 Dividend	10	1260000	1.26	—	—
IDFC Fixed Maturity Yearly Series 35 Growth	10	1500000	1.50	—	—
ICICI Prudential FMP Series 53 1 Year Plan B cumulative	10	2530000	2.53	—	—
HDFC FMP 370D Nov-2010 (2) Growth-Series XVII	10	1000000	1.00	—	—
ICICI Prudential FMP Series 53 1 Year Plan C cumulative	10	1000000	1.00	—	—
Kotak FMP Series 32 G	10	3000000	3.00	—	—
ICICI Prudential FMP Series-53 1 years Plan F Cumulative	10	2560000	2.56	—	—
IDFC Fixed Maturity Plan Yearly Series 36 Growth	10	1530000	1.53	—	—
Reliance Equity Opportunities Fund-Retail Plan - G Plan	10	14937	0.05	—	—
DSP BlackRock Equity Fund-Regular Plan G	10	31920	0.05	—	—
Reliance Fixed Horizon Fund-XIX- Series 7-G Plan	10	129900	0.13	—	—
HDFC Equity Fund-G	100	1872	0.05	—	—
HDFC Prudence Fund-G	100	2935	0.06	—	—
Tausus Short Term Income Fund-G Plan	1000	29980	5.00	—	—
ICICI Prudential Blended Plan B Institutional Growth Option II	10	23763129	25.00	—	—
UTI Fixed Income Interval Fund-Monthly Interval Plan Series I Institutional Divi.	10	19998200	20.00	—	—
Birla Sunlife Short Term Fund-Retail-Growth	10			161725	0.25
Templeton India Short Term Income Plant Institutional Growth	1000			211876	30.00
Templeton Floating Rate Income Fund Long Term Plan Institutional Option-growth	10			21866706	30.00
LIC Income Plus Fund Growth Plan	10			8374578	10.00
LIC Saving Plus Fund-Growth Plan	10			7062745	10.00
Reliance Regular Saving Funds	10			4147588	5.00
IDFC Money Manager Fund Investment Inst. Plant B-Growth	10			14122150	20.00
Religare Credit Opportunities fund-institutional Inst. Plan B-Growth	10			29384694	30.00
DSP ML Fund Mngr. Ltd PMS-CPP	1000000			150	15.00
IDFC Money Manager Fund-Treasury Plan A-Growth	10			206603	0.30
IDFC Imperial Equity Fund-Pan A Growth	10			5450	0.01
HDFC Cash Management Fund -Treasury Advantage Plan-Retail-Growth	10			275055	0.55
HDFC Top 200 Fund Growth	100			1794	0.03
HDFC Core and Satellite Fund-Growth	10			1540	0.01
HDFC Equity Fund Growth	100			235	0.01
IDFC Imperial Equity Fund -Plan A Growth	10			13088	0.02
Reliance Short Term Fund-Retail plan A Growth	10			5798950	10.00
Fortis Short Term Income Fund-inst .Growth	10			9584328	10.00
Kotak Bond (Short Term)-Growth	10			56955	10.00
<b>Total</b>		<b>1123.64</b>			<b>807.94</b>
<b>Quoted Investments</b>	Cost	0.09			0.09
	Market Value	0.32			0.23
<b>Unquoted Investments</b>	Cost	841.63			600.13
Mutual Funds	Cost	281.92			207.72
	Repurchase Value	286.99			212.98

# Schedules forming part of the Balance Sheet

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

(₹ in crore)

	Face Value ₹	Cost of acquisition		Sale / Redemption	
		Nos./Units	Amount	Nos./Units	Amount
<b>Schedule - 6   INVESTMENTS (AT COST) (Contd..)</b>					
LIC MF Income Plus Fund - Growth Plan	10	16039264	20.00	16039264	20.42
Religare Credit Opportunities Fund Institutional Growth	10	9602735	10.00	9602735	10.34
Reliance Short Term Fund-Retail Growth Plan	10	5682625	10.00	5682625	10.00
Reliance Medium Term Fund Retail Plan Growth Option-BNP	10	10357435	20.00	10357435	20.00
Reliance Monthly Interval Fund-Series-Institutional Growth Plan	10	3195175	4.08	3195175	4.21
Fortis Short Term Income Fund- Institutional Growth	10	18830797	20.00	18830797	20.44
Reliance Monthly Interval Fund-Series-Institutional Growth Plan	10	4701936	6.00	4701936	6.19
LIC MF Savings Plus Fund Growth Plan BNP	10	13550871	20.00	13550871	20.19
Kotak Flexi Debt Scheme Institutional Growth BNP	10	8756261	10.00	8756261	10.24
Birla Sunlife Saving Fund Institutional Growth	10	11350995	20.00	11350995	20.14
Kotak Flexi Debt Scheme Institutional Growth	10	4378130	5.00	4378130	5.03
ICICI Prudential Flexible Income Plan Premium Growth	100	1158307	20.00	1158307	20.60
Birla Sunlife Ultra Short Term Fund-Institutional Growth	10	18116927	20.00	18116927	20.68
BSL Floating Rate Fund-Long Term Institutional Growth	10	9164727	10.00	9164727	10.07
HDFC Cash Management Fund-Treasury Advantage					
Plan-Wholesale-Growth	10	9823762	20.00	9823762	20.52
UTI Treasury Advantage Fund-Institutional Plan (Growth Option)	1000	120260	15.00	120260	15.09
Kotak Floater Long Term-Growth BNP	10	6784905	10.00	6784905	10.21
HDFC Short Term opportunities Fund-Growth LC	10	10000000	10.00	10000000	10.07
Magnum Insta Cash-Cash Option-SBI	10	19349284	40.00	19349284	40.01
SBI-SHF-Ultra Term Fund-Inst.Plan Growth	10	32970980	40.01	32970980	41.16
SBI-SHF-Ultra Term Fund-Inst.Plan Growth	10	7974609	10.00	7974609	10.01
Tata Liquid Super High Inv. Fund Appreciation	10	58208	10.00	58208	10.01
Tata Floater Fund-Growth	10	7197460	10.01	7197460	10.28
UTI Treasury Advantage Fund-Institutional Plan (Growth Option)	100	159831	20.00	159831	20.08
UTI Floating Rate Fund-Short Term Plan					
Institution Growth Option	1000	190994	20.08	190994	20.64
Axis Treasury Advantage Fund-Institutional Growth BNP	1000	193606	20.00	193606	20.26
ICICI Prudential Ultra Short Term Plan Super					
Premium Growth BNP	10	19114794	20.00	19114794	20.56
IDFC Money Manager Fund-Treasury Plan Super					
Inst. Plan C Growth BNP	10	13127637	14.50	13127637	14.59
UTI Floating Rate Fund-Short Term Plan					
Institution Growth Option LC	1000	94306	10.00	94306	10.05
Axis Liquid Fund- Institutional Growth BNP	1000	238058	25.00	238058	25.01
Principal PNB Fixed Maturity Plan (FMP-63) 91 Days					
Series XXIV Oct-10 Regular Growth Plan LC	10	10000000	10.00	10000000	10.18
Fidelity Cash Fund Super Institutional Growth	10	7734012	10.00	7734012	10.01
Fidelity FMP Series 4 Plan A Growth	10	10001934	10.00	10001934	10.20
IDBI Ultra Short Term Fund	10	989462	1.00	989462	1.02
ICICI Prudential Interval Fund I Qut. Interval Plan Inst. Cumulative	10	9837582	10.00	9837582	10.19
DSP Black Rock FMP-3m Series 22 Growth					
Maturity Date 20/1/11 BNP	10	5000000	5.00	5000000	5.10

As at		31.03.2011	31.03.2010
<b>Schedule - 7   INVENTORIES</b>			
Stores and Spares		11.80	10.47
Raw Materials		41.27	31.25
Finished Goods		53.14	41.98
Process Stock		68.48	85.00
<b>Total</b>		174.69	168.70

<b>Schedule - 8   SUNDRY DEBTORS (Unsecured)</b>			
Considered good			
Due for a period exceeding six months		48.88	86.29
Others		789.24	590.77
Considered Doubtful (Due for a period exceeding six months)		1.25	0.64
Less : Provision for Doubtful Debts		1.25	0.64
		—	—
<b>Total</b>		838.12	677.06

# Schedules forming part of the Balance Sheet

(₹ in crore)

As at		31.03.2011	31.03.2010
<b>Schedule - 9   CASH AND BANK BALANCES</b>			
Cash on hand [including cheques on hand ₹ NIL (Previous year ₹0.03 crore)]		0.71	0.52
With Scheduled Banks			
In Current Accounts [including ₹0.35 crore in unclaimed dividend accounts (previous year ₹0.31 crore)]	42.94		71.73
In Fixed Deposits [Out of above, ₹507.11 crore (previous year ₹745.08 crore) unutilised amount of FCCB issue]	854.71		737.68
	897.65		809.41
[Out of above, Fixed Deposits of ₹142.49 crore (previous year ₹47.91 crore) under lien to banks]			
With Non- Scheduled Banks			
In Current Account with The Associated Co-op Bank Limited [Maximum balance during the year ₹5.11 crore (previous year ₹10.01 crore)]	2.08	5.11	
	900.44		815.04

<b>Schedule - 10   LOANS &amp; ADVANCES</b>			
(Unsecured, Considered Good except stated otherwise)			
Advances recoverable in cash or in kind or for value to be received		377.14	648.83
Loans to Subsidiaries/Step down Subsidiaries		107.11	85.63
Loan to Employee Welfare Trust		4.09	4.09
Share application money pending allotment		–	0.04
Advance Payment of Tax and Tax Deducted at source (Net of provision)		1.49	31.77
MAT Credit entitlement		33.13	18.54
Balance with Central Excise Department		0.93	0.36
Considered Doubtful	0.15	–	–
Less:- Provision for Doubtful Loans & Advances	(0.15)	–	–
<b>Total</b>		523.89	789.26

<b>Schedule - 11   CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>A. Current Liabilities</b>			
Acceptances	49.56		37.82
Sundry Creditors			
- Due to Micro and Small Enterprises	1.34		1.52
- Others	250.76		183.06
Investor Education and Protection Fund			
- Unclaimed Dividend	0.35		0.32
- Unclaimed Debenture Installment & Interest	–		–
(These do not include any amounts due and outstanding to be credited to "Investors Education and Protection Fund")			
Interest accrued but not due	9.61		5.91
	311.62		228.63
<b>B. Provisions</b>			
Provision for Leave Salary	6.63		5.86
Provision for Gratuity	7.16		5.99
Premium payable on redemption of outstanding FCCBs	263.17		263.17
Proposed Dividend	17.74		16.38
Tax on Dividend	2.84		2.67
	297.54		294.07
<b>Total</b>		609.16	522.70

<b>Schedule - 12   MISCELLANEOUS EXPENDITURE</b>			
(To the extent no written off or adjusted)			
Share Issue Expenses		–	0.17
Opening Balance		–	0.17
Less : Amount amortised		–	–
<b>Total</b>		–	–

## Schedules forming part of the Profit and Loss Accounts

(₹ in crore)

For the year ended	31.03.2011	31.03.2010
<b>Schedule - 13   OTHER INCOME</b>		
Interest (Gross)* [include interest from non trade investment ₹1.58 crore (previous year ₹0.41 crore)]	37.32	33.00
Dividend [include Dividend received from subsidiary ₹0.65 crore (previous year ₹0.22 crore)]	0.85	0.22
Profit on sale of Fixed Assets (Net)	0.14	0.44
Profit on sale of Non Trade Investments (Net)	15.14	8.23
Excess Provision for Expenses in earlier years written back	—	0.05
Foreign Exchange Gain (net)	4.10	49.30
Miscellaneous Income	2.46	5.67
*Note: Tax deducted at source from Interest ₹1.60 crore (previous year ₹3.37 crore)		
<b>Total</b>	<b>60.01</b>	<b>96.91</b>

<b>Schedule - 14   INCREASE/(DECREASE) IN STOCK OF FINISHED AND PROCESS STOCK</b>			
<b>Closing Stock</b>			
Finished goods	53.14		41.98
Process stock	68.48		85.00
		121.62	126.98
<b>Less: Opening Stock</b>			
Finished goods	41.98		47.57
Process stock	85.00		93.38
		126.98	140.95
<b>Total</b>		(5.36)	(13.97)

For the year ended	2010-11		2009-10	
	Quantity	Amount	Quantity	Amount
<b>Schedule - 15   RAW MATERIALS CONSUMED</b>	(Kgs. in crore)		(Kgs. in crore)	
Cotton, Yarn and other Fibres	0.58	104.59	0.54	64.92
Plastic Resins, Granules & Powder etc.	4.49	596.74	4.89	461.03
Bought-out goods consumed		956.36		746.94
<b>Total</b>		1657.69		1272.89

Note:

Value and Percentage of Raw Materials Consumed	Amount	Percentage	Amount	Percentage
Imported	21.09	1.27	69.99	5.50
Indigenous	1636.60	98.73	1202.90	94.50
<b>Total</b>	<b>1657.69</b>	<b>100.00</b>	<b>1272.89</b>	<b>100.00</b>

	31.03.2011	31.03.2010
<b>Schedule - 16   EMPLOYEES' EMOLUMENTS</b>		
Payments to and Provisions for Employees :		
Salaries, Wages, Bonus and other payments	73.42	64.64
Contribution to Provident, Superannuation and Gratuity Funds	7.90	6.56
Welfare Expenses	4.30	3.77
Employees Compensation expenses	7.53	10.27
<b>Total</b>	<b>93.15</b>	<b>85.24</b>

## Schedules forming part of the Profit and Loss Accounts

(₹ in crore)

For the year ended	31.03.2011	31.03.2010
<b>Schedule - 17   MANUFACTURING &amp; OTHER EXPENSES</b>		
Stores & Spare Parts Consumed	106.53	98.55
Power & Fuel	68.18	59.86
Rent	2.91	2.89
Repairs:		
Buildings	1.40	1.30
Plants & Machinery	0.09	1.76
Others	3.26	2.56
	4.75	5.62
Excise duty provided on stocks	0.11	0.04
Insurance	1.86	2.75
Rates & Taxes	0.35	0.31
Stationery, Printing, Postage, Telegram and Advertisement etc.	7.90	10.21
Directors' Fees	0.05	0.05
Audit Fees	0.52	0.40
Commission and Brokerage on Sales	36.02	32.98
General charges	34.94	44.02
Charity & donation	0.14	0.68
Provision for Doubtful debts & Loans & advances	0.76	—
Misc. Expenditure Written off	—	0.17
<b>Total</b>	<b>265.02</b>	<b>258.53</b>

Notes:

	2010-11		2009-10	
	Amount	Percentage	Amount	Percentage
<b>1. Stores &amp; Spares Consumed :</b>				
Imported	4.33	4.06	5.93	6.02
Indigenous	102.20	95.94	92.62	93.98
	106.53	100.00	98.55	100.00
<b>2. General Charges includes:</b>			31.03.2011	31.03.2010
a) Payments to Auditors in other capacity :				
i) For Tax Audit to affiliated firms	0.03	0.03		
ii) For Taxation to affiliated firms	0.15	0.20		
iii) For Certification to affiliated firms	0.08	—		
iv) For Other Services (including certification etc.)	0.07	0.05		
Total	0.33	0.28		
b) Cost Auditor Audit fees	—	0.28		
Total	0.01	0.01		
	0.01	0.01		

<b>Schedule - 18   INTEREST AND FINANCE CHARGES</b>		
On Debentures and Fixed Loans	31.10	11.51
On Working Capital and others	55.72	39.81
<b>Total</b>	<b>86.82</b>	<b>51.32</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/pre-operative 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 there from for a period longer than one year.

### 7) Depreciation

Depreciation on Buildings, Plant and Machinery is calculated on straight line basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on Furniture, Fixtures, Office Equipments, Borewell and Vehicles is calculated on written down value basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

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 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, process stock and property under development 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. Cost of property under development includes cost of land, material, labour, manufacturing and other overheads.

### 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.

# Schedules forming part of the Accounts

## Schedule - 19 | SIGNIFICANT ACCOUNTING POLICIES

### 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.

### 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

(₹ in crore)

	2010-11	2009-10
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	—	—
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	44.62	205.22
c) Performance guarantees given to customers by bankers	16.41	30.38
d) Disputed demand not acknowledged as debt against which the Company has preferred appeal		
Income Tax	12.97	11.71
Sale Tax	2.35	—
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 was April 1, 2008. The Company filed the Order with the Registrar of Companies, Gujarat on April 14, 2009 within the time specified in the order and the Scheme had been given effect to in		

# Schedules forming part of the Accounts

## Schedule - 20 | NOTES FORMING PART OF ACCOUNTS

the previous year's financial statements. Accordingly, as per the Scheme, from the said date, the Company earmarked ₹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 ₹46.47 crore (previous year ₹10.53 crore) being such specified expenses as per the Scheme. 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) 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.

As per the terms & conditions of the Offering Circular dated March 12, 2008, the Conversion Price of FCCBs is reset at ₹246.50 from ₹290.00 per equity share of ₹1 each on March 12, 2010.

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

Particulars	US\$ in million	₹ in crore
FCCB issue expenses directly paid	1.01	4.04
Investment in overseas subsidiary	122.58	543.96

Unutilised FCCB proceeds amounting to ₹505.26 crore (previous year ₹737.45 crore) have been invested in fixed deposits and ₹1.85 crore (previous year ₹7.63 crore) have been lying in Current Account with banks at the year end.

6) The Profit and Loss Account includes:

	2010-11	2009-10
a) Chairman/Vice Chairman Remuneration (Two)		
Salary	1.25	0.53
Commission	3.00	2.00
Contribution to Provident Fund and Superannuation Fund	0.34	0.14
Perquisites in cash or in kind	0.92	0.40
Total	5.51	3.07
b) Managing Directors' Remuneration (Three)		
Salary	1.56	1.12
Commission	3.75	2.50
Contribution to Provident Fund and Superannuation Fund	0.42	0.28
Perquisites in cash or in kind	1.12	0.83
Total	6.85	4.73
Grand Total	12.36	7.80

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

	2010-11	2009-10
Profit as per Profit & Loss Account	357.56	273.70
Add: Provision for Taxation	121.13	67.78
Managerial Remuneration	12.36	7.80
Directors' fees	0.05	0.05
Depreciation (as per accounts)	89.25	84.03
Loss/(Profit) on sale of investments	(15.14)	(8.23)
Loss/( Profit) on sale of Fixed Assets	(0.14)	(0.44)
Provision for diminution in the value of investments		
Provision for doubtful debts & advances	0.76	–
Share issue expenses written off	–	0.17
Total (a)	565.83	424.87
Less: Depreciation (as per Section 350)	89.25	84.03
Total (b)	89.25	84.03
Net Profit (a-b)	476.58	340.84
Remuneration @ 10 %	47.66	34.08
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	9.53	6.82
Restricted to	3.00	2.00
ii) 2% of Net Profit to each Managing Director (Two)	9.53	6.82
Restricted to	3.00	2.00
iii) 1% of Net Profit to one Managing Director	4.77	3.41
Restricted to	0.75	0.50

# Schedules forming part of the Accounts

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

### 8) 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 ₹91.70 per equity share of ₹2 each 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 ₹91.70 per equity share of ₹2 each aggregating to ₹9.17 crore. On August 21, 2006, the Company issued 10,00,000 equity shares of the face value of ₹2 each to ESOP Trust at ₹91.70 per equity share.
- iii) During the year, each equity share of ₹2 each has been sub-divided into two equity shares of ₹1 each. Hence ESOP Trust holds 20,00,000 equity shares of the face value of ₹1 each at ₹45.85 per equity share.

The Company granted Nil equity share (previous year Nil equity share) options to eligible employees at ₹45.85 per equity share of ₹1 each. The details of outstanding options are as under:

Particulars	2010-11	2009-10
Options outstanding as at beginning of the year	2000000	2000000
Add: Options granted during the year	Nil	Nil
Less: Options exercised during the year	77000	Nil
Less: Options forfeited during the year	Nil	Nil
Options outstanding at the end of the year	1923000	2000000

- iv) During the year, 77,000 equity shares of ₹1/- each have been allotted to the employees on exercise of options granted to them.

### 9) Employee Benefits

#### A) Defined Benefit Plans

- i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Profit & Loss Account.
- ii) The Defined Benefit Plan comprises of Gratuity and Leave Encashment

Gratuity is a benefit to an employee based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of continuous service with part thereof in excess of six months.

The plan is funded through Sintex Industries Limited Employees Gratuity Trust Fund.

Leave Encashment is a benefit to an employee based on the number of leave days accrued to the credit of employee subject to a maximum limit as per the rules of the Company. The same is calculated on the basis of last drawn basic monthly salary including dearness allowance (if any). The plan is unfunded.

(₹ in crore)

Particulars	2010-11		2009-10	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
i Expense recognised in Profit & Loss Account and included in Schedule 16 "Employee Emoluments"				
Current Service Cost	1.30	0.97	1.23	0.88
Interest Cost	1.24	0.47	1.10	0.42
Expected return on plan assets	(0.88)	–	(0.79)	–
Net actuarial losses (gains)	0.75	0.10	0.07	(0.18)
Total Expenses	2.41	1.54	1.61	1.12
ii Reconciliation of opening and closing balances of changes in present value of the defined benefit obligation:				
Opening Balance of defined benefit obligation	15.26	5.86	13.73	5.23
Current Service Cost	1.30	0.97	1.23	0.88
Interest Cost	1.24	0.47	1.10	0.42
Actuarial losses (gains)	0.73	0.10	0.07	(0.18)
Liabilities extinguished on settlements	–	–	–	–
Benefits paid	(1.60)	(0.77)	(0.87)	(0.49)
Closing Balance of defined benefit obligation	16.93	6.63	15.26	5.86

# Schedules forming part of the Accounts

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

(₹ in crore)

Particulars	2010-11		2009-10	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
iii Reconciliation of opening and closing balances of changes in the fair value of plan assets:				
Opening Balance of plan assets	9.27	–	8.35	–
Expected returns on plan assets	0.88	–	0.79	–
Actuarial gains (losses)	(0.02)	–	–	–
Assets distributed on settlements	–	–	–	–
Contribution by employer	1.24	–	1.00	–
Benefits paid	(1.60)	–	(0.87)	–
<b>Closing Balance of plan assets</b>	<b>9.77</b>	<b>–</b>	<b>9.27</b>	<b>–</b>
iv Net Liability recognised in the Balance Sheet				
Closing Balance of defined benefit obligation	16.93	6.63	15.26	5.86
Closing balance of fair value of plan assets	9.77	–	9.27	–
Present value of unfunded obligation recognised as liability	7.16	6.63	5.99	5.86
v Actual return on plan assets	0.86	–	0.79	–
			As at March 31, 2011	As at March 31, 2010
vi Actuarial Assumptions:				
Discount Rate			8.10%	8.00%
Expected rate of return on plan assets			9.25%	9.00%
Expected rate of salary increase			6.00%	6.00%
Mortality			LIC (1994-96) published table of rates	
Withdrawal Rates			3% at younger age reducing to 1% at older age	
Retirement Age			60 years	
Actuarial Valuation Method			Projected Unit Credit Method	

- a) The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.
- b) Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of obligations.
- c) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

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.

viii Past four years' data for defined benefit obligation and fair value of plan is as under:

(₹ in crore)

Particulars	2006-07	2007-08	2008-09	2009-10
Present value of defined benefit obligations at the end of the year (Independent Actuary)	9.38	11.50	13.73	15.26
Fair value of plan assets at the end of the year	6.42	7.34	8.35	9.27
Net assets/(liability) at the end of the year	(2.96)	(4.16)	(5.38)	(5.99)

ix The contribution expected to be made by the Company during the financial year 2011-12 has not been ascertained.

### B) Defined Contribution Plans

₹ 5.49 crore (previous year ₹ 4.95 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".

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

(₹ in crore)

Name of the Company		As at March 31, 2011	As at March 31, 2010	Maximum Balance during the year	Maximum Balance during 2009-10
Zep Infratech Ltd. (formerly known as Zeppelin Mobile Systems India Limited)	Subsidiary	22.99	18.74	25.40	38.08
Sintex Infra Projects Ltd.	Subsidiary	8.88	0.50	11.38	0.50
Bright AutoPlast Ltd.	Subsidiary	75.24	66.39	75.24	107.66

Notes:

- i) Loans & Advances shown above fall under the category of Loans and Advances in nature of loans where repayment will commence in three annual equal installments from the end of 3rd year.

# Schedules forming part of the Accounts

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

ii) Rate of Interest for the loans and advances given to Zep Infratech Limited and Bright AutoPlast 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.

11) Foreign currency exposure not hedged by derivative instruments as at March 31, 2011 amounting to ₹1012.22 crore (previous year ₹1027.19 crore).

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

Particulars	31.03.2011	₹ in crore 31.03.2010
Principal amount remaining unpaid to any supplier as at the year end	1.34	1.52
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.

13) Quantitative Information

Particulars	2010-11	2009-10
a) Licensed Capacity	N.A	N.A.
b) Installed Capacity (As Certified by the Management)		
I) Plastic Unit		
Particulars	2010-11 Installed (Kgs in crore)	2009-10 Installed (Kgs in crore)
Thermoplastic Powder Moulding	4.99	4.69
Extruded Thermo-Plastic Sections	3.88	3.88
Prefabricated Structures (Qty. in Nos.)	60000.00	60000.00
SMC/Pultrusion and Articles- made thereof /Thermoforming and Blow Moulding/ Injection Moulding	1.66	1.66
II) Textile Unit		
Particulars	2010-11 Installed (Nos.)	2009-10 Installed (Nos.)
Looms	377	377

c) Productions and Stocks

Items	Unit	2010-11					2009-10				
		Opening Stock		Production		Closing Stock		Opening Stock		Production	
		Qty. (in Cr.)	Rs. (in Cr.)								
Cloth Packed	Mtrs. in cr.	0.05	5.33	2.76	0.09	9.19	0.04	4.28	1.71	0.05	5.33
Rotomoulded Products	Kgs.	0.10	14.77	2.74	0.09	12.40	0.12	16.40	3.07	0.10	14.77
Prefabricated Structure	Qts. Nos.	—	—	55485	—	—	—	—	43299	—	—
Plastic Sections	Kgs.	0.06	5.88	1.01	0.08	7.14	0.07	6.93	0.92	0.06	5.88
SMC/Pultrusion and Articles made thereof/ Plastic Thermoforming	Kgs.	0.02	2.07	0.63	0.02	2.16	0.03	3.36	0.58	0.02	2.07

# Schedules forming part of the Accounts

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

### d) Sales by class of goods

Particulars	Unit	2010-11		2009-10	
		Qty. (in crore)	Value (₹ in crore)	Qty. (in crore)	Value (₹ in crore)
a) Textile Unit					
Cloth Packed	Cloth Packed Mtrs	2.72	420.69	2.51	340.52
Yarn	Kgs.	0.08	16.33	0.06	7.28
Waste			2.77		2.68
b) Plastic Unit					
Rotomoulded Products	Kgs.	2.75	531.07	3.09	448.92
Prefabricated Structures/BT Shelters	Nos.	55485.00	1532.10	43299.00	1112.79
Extruded Thermo Plastic Sections	Kgs.	0.99	99.16	0.93	86.14
SMC/Pulrusion/Thermoforming	Kgs	0.63	116.29	0.59	104.73
Others			0.33		0.50
<b>Total</b>			<b>2718.74</b>		<b>2103.56</b>

### 14) Value of Import on CIF Basis in respect of :

Particulars	2010-11	2009-10
a) Capital Goods	10.35	3.07
b) Raw Material	21.94	74.79
c) Components and Spare Parts (Repairs)	6.40	2.41

### 15) Expenditure in Foreign Currency :

Particulars	2010-11	2009-10
a) Travelling Expenses	3.42	3.74
b) Commission	0.94	0.79
c) Technical Fees	–	0.11

### 16) Earnings in Foreign Currency :

Particulars	2010-11	2009-10
FOB Value of Direct Export	38.56	40.34

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

(₹ in crore)

Particulars	As at 31.03.2011	As at 31.03.2010
Deferred Tax Liability		
Difference between book and tax depreciation	199.28	157.02
Total	199.28	157.02
Deferred Tax Asset		
Disallowances under Income Tax	(5.98)	(4.66)
Provision for doubtful debts & advances	(0.47)	(0.21)
Total	(6.45)	(4.87)
Deferred Tax Liability (Net)	192.83	152.15

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

Particulars	2010-11	2009-10
<b>Basic Earnings Per Share before Extra Ordinary Items :</b>		
Profit attributable to the Shareholders (₹ in crore)	A	357.56
Weighted average number of Equity Shares outstanding during the year	B	270997406
Nominal value of Equity Shares (₹)		1.00
Basic Earnings Per Share (₹)	A/B	13.19
<b>Diluted Earnings Per Share before Extra Ordinary Items :</b>		
Profit attributable to the Shareholders (₹ in crore)	A	357.56
Weighted average number of Equity Shares outstanding during the year	B	270997406
Nominal value of Equity Shares (₹)		1.00
Diluted Earnings Per Share (₹)	A/B	13.19

	No. of shares	No. of shares
Weighted average number of Equity Shares outstanding during the year for Basic EPS	270997406	270990866
Add : Dilutive potential Equity Shares	0	0
Weighted average number of Equity Shares outstanding during the year for Dilutive EPS	270997406	270990866

# Schedules forming part of the Accounts

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

### 19) Related Party Transactions:

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

Sr. No.	Nature of Relationship	Name of Related Parties
1	Associate Companies	BVM Finance Pvt. 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
3	Subsidiaries (Control exists)	Zep Infratech Limited (Formerly known as Zeppelin Mobile Systems India Limited) Sintex Holdings B.V. Bright AutoPlast Limited Sintex Infra Projects Limited Sintex Holdings USA, Inc. Sintex France SAS Sintex Industries UK Ltd. Sintex Austria B.V. Amarange Inc. Wasauke Composites Inc. Wasauke Composites Inc.- Owosso, Inc. WCI Wind Turbine Components, LLC. Nief Plastic SAS NP Hungaria kft NP Nord SAS NP Slovakia SRO NP Savoie SAS NP Tunisia SARL NP Vosges SAS Segaplast SAS Segaplast Maroc SA Siroco SAS Thermodole SAS AIP SAS Cuba City Real Estate LLC Owosso Real Estate LLC SIMOP SAS SICMO SAS SCI NP IMMO Nief Global Ltd. Wausauke Global Ltd.

#### b) i) Transaction during the year with related parties

(₹ in crore)

Sr. No.	Nature of Transaction	NATURE OF RELATIONSHIP				
		Associates	Enterprise directly/Indirectly Controlled	Relative Key Management Personnel	Key Management Personnel	Total
1	Purchase of goods/services		12.14 —			12.14 —
2	Sale of goods/services		20.36 —			20.36 —
3	Managerial remuneration				12.36 7.80	12.36 7.80
4	Unsecured Loan/Advance given		21.47 0.50			21.47 0.50
5	Unsecured Loan/Advance taken (repaid)		—			—
6	Dividend received		-34.99 0.65 0.22			-34.99 0.65 0.22

# Schedules forming part of the Accounts

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

ii) Balance as at 31st March, 2011

(₹ in crore)

Sr. No.	Balance as at 31st March, 2011	NATURE OF RELATIONSHIP				Total
		Associates	Enterprise directly/Indirectly Controlled	Relative Key Management Personnel	Key Management Personnel	
1	Current Liabilities		9.79 –		6.75 4.50	16.54 4.50
2	Sundry Debtors		20.05 –			20.05 –
3	Investments	8.69 8.69	829.88 575.43			838.57 584.12
4	Loans & Advances		107.11 85.63			107.11 85.63
5	Guarantee Given		35.00 190.34			35.00 190.34

c) Disclosure of Material Related Party Transactions during the year:

- 1) Purchase of goods/services include services from Bright AutoPlast Ltd. ₹12.14 crores (Previous Year ₹ Nil)
- 2) Sale of goods/services include sale to Zep Infratech Limited ₹0.31 crore (Previous Year ₹ Nil), Sintex Infra Projects Ltd. ₹20.05 crores (Previous Year ₹ Nil)
- 3) Managerial Remuneration include remuneration to Shri Dinesh B. Patel ₹2.76 crore (Previous Year ₹1.53 crore), Shri Arun P. Patel ₹2.75 crores (Previous Year ₹1.54 crore), Shri Rahul A. Patel ₹2.53 crore (Previous Year ₹1.77 crore), Shri Amit D. Patel ₹2.54 crore (Previous Year ₹1.79 crore), Shri S. B. Dangayach ₹1.78 crore (Previous Year ₹1.17 crore)
- 4) Unsecured Loan/Advance Given include to Zep Infratech Ltd. ₹12.25 crore (Previous Year ₹16.82 crore), Bright AutoPlast Ltd. ₹14.07 crore (Previous Year ₹86.21 crore), Sintex Infra Projects Ltd. ₹17.88 crore (Previous Year ₹0.50 crore). Loan returned during the year include from Zep Infratech Ltd. ₹8.00 crores (Previous Year ₹46.00 crore), Bright AutoPlast Ltd. ₹5.22 crore (Previous Year ₹92.01 crore), Sintex Infra Projects Ltd. ₹9.50 crore (Previous Year ₹ Nil)
- 5) Unsecured Loan/Advances Taken (Repaid) includes from Zep Infratech Ltd. ₹ Nil (Previous Year ₹29.18 crore), Bright AutoPlast Ltd. ₹ Nil (Previous Year ₹5.81 crore)
- 6) Dividend received include from Zep Infratech Limited ₹0.65 crore (Previous Year ₹0.22 crore)

20) Leases

Operating Lease

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

(₹ in crore)

Particulars	2010-11	2009-10
Office premises	2.91	2.89

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.

21) 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

Dinesh B. Patel  
Arun P. Patel

Chairman  
Vice Chairman

Ramnikbhai H. Ambani  
Ashwin Lalbhai Shah

Director  
Director

For Deloitte Haskins & Sells  
Chartered Accountants

Rahul A. Patel  
Amit D. Patel

Managing Director

Dr. Rajesh B. Parikh  
Dr. Lavkumar Kantilal

Director  
Director

Gaurav J. Shah  
Partner  
Membership No. 35701

L. M. Rathod  
Company Secretary

Ahmedabad  
Date : April 30, 2011

Ahmedabad  
Date : April 30, 2011

# Balance Sheet Abstract

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

### i) Registration Details

Registration No.	L17110GJ1931PLC000454		
Balance Sheet Date	31.03.2011	State Code	04

### ii) Capital Raised during the year (₹ in Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Conversion of FCCBs\Warrants into Equity Shares	NIL

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

Total Liabilities	54703921.60	Total Assets	54703921.60
-------------------	-------------	--------------	-------------

#### Sources of Funds

Paid up Capital	271067.87	Reserves & Surplus	21453041.49
Secured Loans	13913513.91	Unsecured Loans	11046250.00
Convertible Share Warrants	NIL	Deferred Tax Liability	1928289.34

#### Application of Funds

Net Fixed Assets	19096050.73	Investments	11236364.42
Net Current Assets	18279762.29	Misc. Expenditure	NIL

### iv) Performance of the Company (₹ in Thousands)

Turnover including other income	26759851.92	Total Expenditure	21972891.48
Profit before Tax	4786960.44	Profit after Tax	3575611.97
Earnings Per Share -Basic (₹)	13.19	Dividend Per Share (₹)	₹ 0.65 Per Share
Earnings Per Share -Diluted (₹)	13.19		

### 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

Dinesh B. Patel  
Arun P. Patel  
Rahul A. Patel  
Amit D. Patel

*Chairman*  
*Vice Chairman*  
*Managing Director*  
*Managing Director*

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

*Director*  
*Director*  
*Director*  
*Director*  
*Director*

Ahmedabad  
Date : April 30, 2011

L. M. Rathod  
Company Secretary

# Section 212

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

(₹ in crore)

Sr. No.	Name of Subsidiary Company	Reporting period	Reporting currency#	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	Zep Infratech Ltd.	31.03.2011	INR	1.30	67.10	168.18	168.18	–	128.00	2.67	1.01	1.66	0.76
2	Bright AutoPlast Ltd.	31.03.2011	INR	55.01	51.45	370.73	370.73	–	314.83	13.72	8.09	5.63	–
3	Sintex Holdings B.V. *	31.12.2010	EURO	472.35	2.01	474.45	474.45	–	–	0.97	–	0.97	–
4	Sintex Holding USA, Inc.	31.12.2010	USD	97.44	6.07	103.17	103.17	–	–	1.49	(0.06)	1.55	–
5	Wausaukeee Composites Inc.	31.12.2010	USD	1.96	28.18	50.93	50.93	–	88.25	6.71	2.48	4.23	–
6	Wausaukeee Composites Owosso, Inc.	31.12.2010	USD	17.63	3.12	24.82	24.82	–	60.34	(0.63)	(0.23)	(0.40)	–
7	WCI Wind Turbine Components, LLC	31.12.2010	USD	–	(5.43)	6.68	6.68	–	2.57	(3.15)	(1.16)	(1.98)	–
8	Owosso Real Estate LLC	31.12.2010	USD	0.87	0.39	3.84	3.84	–	0.48	0.23	0.09	0.15	–
9	Cuba city Estate LLC	31.12.2010	USD	0.31	0.03	3.02	3.02	–	0.26	0.06	0.02	0.04	–
10	Wausaukeee Global Limited	31.12.2010	AED	0.06	6.04	39.39	39.39	–	37.50	6.04	–	6.04	–
11	Sintex Austria B.V. *	31.12.2010	EURO	0.54	22.35	22.89	22.89	18.58	–	(0.58)	–	(0.58)	–
12	Amarange Inc. *	31.12.2010	SGD	33.85	(0.38)	45.55	45.55	–	–	(0.23)	–	(0.23)	–
13	Sintex France SAS	31.12.2010	EURO	128.23	(7.76)	333.87	333.87	–	–	(2.37)	(0.84)	(1.53)	–
14	Nief Plastic SAS	31.12.2010	EURO	100.31	67.13	261.64	261.64	–	227.69	7.13	(0.01)	7.15	2.19
15	NP Savoie SAS	31.12.2010	EURO	7.47	11.41	36.84	36.84	–	56.51	3.37	0.94	2.43	1.20
16	Thermodole SAS	31.12.2010	EURO	5.99	17.03	51.21	51.21	–	73.13	6.88	2.57	4.32	0.84
17	NP Vosges SAS	31.12.2010	EURO	5.99	14.51	46.37	46.37	–	102.82	4.53	1.74	2.79	0.84
18	Siroco SAS	31.12.2010	EURO	3.00	4.14	15.81	15.81	–	37.03	2.72	0.33	2.39	–
19	NP Nord SAS	31.12.2010	EURO	3.65	2.52	23.20	23.20	–	59.25	3.18	0.88	2.30	–
20	Segaplast SAS	31.12.2010	EURO	2.23	10.82	22.60	22.60	–	37.57	4.12	1.54	2.58	0.65
21	AIP SAS	31.12.2010	EURO	2.73	34.30	53.36	53.36	–	71.44	6.80	2.35	4.45	7.19
22	NP Hungaria Kft	31.12.2010	EURO	11.98	24.77	60.18	60.18	–	96.07	15.54	1.75	13.79	2.40
23	NP Slovakia SRO	31.12.2010	EURO	5.99	2.73	12.92	12.92	–	26.05	0.51	0.12	0.39	–
24	NP Tunisia SARL	31.12.2010	EURO	10.21	22.90	74.77	74.77	–	78.26	12.02	–	12.02	2.52
25	Segaplast Maroc SA	31.12.2010	MAD DIRHAMS	5.36	6.41	16.91	16.91	–	22.23	2.91	0.84	2.07	0.05
26	SICMO	31.12.2010	EURO	1.70	3.66	7.78	7.78	–	13.99	(1.22)	(0.13)	(1.09)	–
27	SIMOP	31.12.2010	EURO	1.92	21.03	34.31	34.31	–	87.05	1.65	0.48	1.17	–
28	SCI NP Immo	31.12.2010	EURO	0.01	8.34	7.78	7.78	–	6.83	5.74	1.77	3.98	–
29	Nief Global Limited	31.12.2010	AED	0.06	10.43	68.20	68.20	–	64.73	10.43	–	10.43	–
30	Sintex Industries U.K. Limited	31.12.2010	GBP	17.52	(11.21)	6.35	6.35	–	–	(0.19)	–	(0.19)	–
31	Sintex Infra Projects Limited	31.03.2011	INR	1.00	65.79	165.58	165.58	–	284.06	28.86	9.54	19.32	–
Total				996.69	489.89	2613.30	2613.30	18.58	1976.95	139.92	34.09	105.84	18.63

# The Indian rupees equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given on the basis of appropriate exchange rates as follows:

1 Euro = ₹59.91, 1 USD = ₹44.70, 1 SGD = ₹34.84, 1 Mad Dirhams = ₹5.36, 1 GBP = ₹69.77, 1 AED = ₹12.17

\* Financial Information is based on Unaudited Results.

Dinesh B. Patel	Chairman	Ramnikbhai H. Ambani	Director
Arun P. Patel	Vice Chairman	Ashwin Lalbhai Shah	Director
Rahul A. Patel	Managing Director	Dr. Rajesh B. Parikh	Director
Amit D. Patel	Managing Director	Dr. Lavkumar Kantilal	Director
		Rooshikumar V. Pandya	Director

Ahmedabad  
Date : April 30, 2011

L. M. Rathod  
Company Secretary

# Auditors' Report on Consolidated Financial Statement

To the Board of Directors of,  
Sintex Industries Limited

1. We have audited the attached Consolidated Balance Sheet of **SINTEX INDUSTRIES LIMITED** ("the Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at March 31, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in an associate accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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, in the year 2008-09 the Company earmarked ₹200 crore from Securities Premium Reserve to International Business Development Reserve Account (the "IBDR") and has adjusted against the earmarked balance of IBDR, ₹187.73 crore upto March 31, 2011 (including ₹46.47 during the year) 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 by ₹187.73 crore as at March 31, 2011 and profit after tax would have been lower by ₹46.47 crore for the year ended on March 31, 2011.
4. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹1,218.15 crore as at March 31, 2011, total revenues of ₹1,486.31 crore and net cash outflows amounting to ₹4.83

crore for the year ended on that date and of an associate whose financial statements reflect the Group's share of profit of ₹1.89 crore for the year then ended, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.

5. We have relied on the unaudited financial statements of three subsidiaries, whose financial statements reflect total assets of ₹141.27 crore as at March 31, 2011, total revenue of ₹ NIL crore and cash inflows amounting to ₹16.39 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 these three subsidiaries 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 in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
7. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company, its aforesaid subsidiaries and an associate 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, in our opinion, the 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 state of affairs of the Group as at March 31, 2011;
  - 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  
(Registration No. 117365W)

Ahmedabad  
Date: April 30, 2011

Gaurav J. Shah  
Partner  
Membership No. 35701

# Consolidated Balance Sheet As at March 31, 2011

(₹ in crore)

As at	Schedules	31.03.2011	31.03.2010
<b>SOURCES OF FUNDS</b>			
Shareholders' Funds			
Share Capital	1	27.11	27.10
Reserves & Surplus	2	2,374.45	1,919.78
		2,401.56	1,946.88
Minority Interest		—	18.96
Loan Funds			
Secured Loans	3	1,635.23	1,445.26
Unsecured Loans	4	1,138.56	1,185.08
		2,773.79	2,630.34
Deferred Tax Liability		249.48	204.99
<b>Total</b>		<b>5,424.83</b>	<b>4,801.17</b>
<b>APPLICATION OF FUNDS</b>			
Fixed Assets	5		
Gross Block		3,327.61	2,558.05
Less: Depreciation		915.60	774.62
Net Block		2,412.01	1,783.43
Capital Work in Progress		136.28	171.64
		2,548.29	1,955.07
Goodwill on Consolidation		219.01	266.51
Deferred Tax Asset		43.76	35.68
Investments	6	377.52	247.02
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	376.99	341.08
Sundry Debtors	8	1,422.89	1,012.05
Cash & Bank Balances	9	986.11	929.54
Loans & Advances	10	514.67	815.65
		3,300.66	3,098.32
Less: Current Liabilities & Provisions	11	1,064.42	801.45
<b>Net Current Assets</b>		<b>2,236.24</b>	<b>2,296.87</b>
Miscellaneous Expenditure		0.01	0.02
(To the extent not written off or adjusted)	12		
<b>Total</b>		<b>5,424.83</b>	<b>4,801.17</b>
Significant Accounting Policies	19		
Notes on Accounts	20		

As per our attached  
report of even date

Dinesh B. Patel  
Arun P. Patel  
Rahul A. Patel  
Amit D. Patel

Chairman  
Vice Chairman  
Managing Director  
Managing Director

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

Director  
Director  
Director  
Director  
Director

For Deloitte Haskins & Sells  
Chartered Accountants

Gaurav J. Shah  
Partner  
Membership No. 35701

Ahmedabad  
Date : April 30, 2011

L. M. Rathod  
Company Secretary  
Ahmedabad  
Date : April 30, 2011

# Consolidated Profit and Loss Account

For the year ended March 31, 2011

For the year ended		Schedules	(₹ in crore)	
			31.03.2011	31.03.2010
INCOME				
Gross Sales			4,629.67	3,419.61
Less: Excise duty and Sales Tax			154.52	137.97
Net Sales			4,475.15	3,281.64
Other Income	13		60.33	125.37
Increase/(Decrease) in Finished and Process Stocks	14		(3.65)	(27.51)
				4,531.83
				3,379.50
EXPENDITURE				
Raw Materials Consumed	15		2,626.94	1,770.97
Employees' Emoluments	16		461.31	438.90
Manufacturing & Other Expenses	17		576.35	543.76
Interest & Finance Charges	18		108.92	73.08
Depreciation & Amortisation			149.10	144.46
				3,922.62
Profit before tax				2,971.17
Provision for Taxation				609.21
Current Tax			129.73	62.14
MAT Credit			(22.09)	(18.54)
Deferred Tax			36.41	27.35
				144.05
Excess/(Short) provision of taxation of earlier years (Net)				465.16
Profit after Tax before Minority Interest and Share of Profit of Associate				337.38
Less: Minority Interest in post acquisition profit				(6.78)
Add: Share of Profit of Associate				(6.26)
Profit after Tax				458.38
Balance brought forward from previous year				331.12
Profit available for Appropriations				0.26
APPROPRIATIONS				2.12
Proposed Dividend-Equity Shares				1.89
Tax on Dividend				—
General Reserve				460.01
Debenture Redemption Reserve				329.00
Balance carried to Balance Sheet				1,015.50
Total				746.12
Earnings per share (Refer Note 11 of Schedule 18)				1,475.51
Basic (In ₹)				1,075.12
Diluted (In ₹)				16.97
Significant Accounting Policies	19			12.14
Notes on Accounts	20			16.97

As per our attached  
report of even date

Dinesh B. Patel  
Arun P. Patel

Chairman  
Vice Chairman

Ramnikbhai H. Ambani  
Ashwin Lalbhai Shah

For Deloitte Haskins & Sells  
Chartered Accountants

Rahul A. Patel  
Amit D. Patel

Managing Director  
Managing Director

Director  
Director

Dr. Rajesh B. Parikh  
Dr. Lavkumar Kantilal  
Rooshikumar V. Pandya

Gaurav J. Shah  
Partner  
Membership No. 35701

L. M. Rathod  
Company Secretary  
Ahmedabad  
Date : April 30, 2011

Ahmedabad  
Date : April 30, 2011

# Consolidated Cash Flow Statement

For the year ended March 31, 2011

For the year ended	31.03.2011		(₹ in crore) 31.03.2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net profit before tax		609.21	408.33
<i>Adjustments for :</i>			
Profit on Sale of Fixed Assets & Investments	(14.91)		(9.58)
Unrealised Foreign Exchange (Gain)/Loss (Net)	151.52		(18.95)
Interest Income	(32.96)		(30.07)
Depreciation	149.10		144.46
Interest and Financial Charges	108.92		73.08
Provision for Doubtful debts and advances	1.22		0.05
Bad Debt Written Off	–		3.71
Employees Compensation Expenses	7.53		10.27
Dividend income	(0.20)		–
Miscellaneous expenditure written off	0.01		0.19
	370.23		173.16
Operating profit before working capital changes		979.44	581.49
<i>Adjustments for :</i>			
Trade & other receivables	(116.96)		(629.60)
Inventories	(35.91)		36.02
Trade payables	239.89		(142.54)
	87.02		(736.12)
Cash generated from/(used in) operations		1,066.46	(154.63)
Direct taxes paid (Net)		(108.55)	(71.08)
Net cash from/(used in) Operating Activities - (A)		957.91	(225.71)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets		(692.00)	(139.14)
Sale of fixed assets		5.65	12.37
Purchase of Investments		(27.12)	(71.92)
Sale of Investments		13.00	–
Expenses related to Debentures Issued		(8.10)	–
Interest received		32.96	26.69
Dividend received		0.20	–
Net cash used in Investing Activities - (B)		(675.41)	(172.00)

# Consolidated Cash Flow Statement (Contd..)

	₹ in crore	
For the year ended	31.03.2011	31.03.2010
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Equity Shares including Security Premium	0.36	—
Proceeds from Term Borrowings	491.80	469.45
Reserve difference	—	—
Unsecured Loan from Bank	102.00	100.00
Interest paid	(168.08)	(120.38)
Repayment of borrowings	(450.35)	(104.48)
Dividend paid	(19.02)	(17.64)
<b>Net cash from Financing Activities - (C)</b>	<b>(43.29)</b>	<b>326.95</b>
Net Changes in Cash & Cash Equivalents (A+B+C)	239.21	(70.76)
Add: Cash & Cash Equivalents-Opening Balance	1,073.26	1,144.02
<b>Cash &amp; Cash Equivalents-Closing Balance</b>	<b>1,312.47</b>	<b>1,073.26</b>

## Notes:

For the year ended	31.03.2011	31.03.2010
<b>1 Cash and Cash Equivalents include:</b>		
Cash on hand	0.77	0.58
<b>With Banks:</b>		
In Current Accounts	109.23	184.63
In Fixed Deposit	876.11	744.33
	985.34	928.96
(Out of above, Fixed Deposits of ₹47.91 crore (previous year ₹157.44 crore) under lien to banks)		
Short Term Investments	321.59	222.24
Cash and Cash equivalents	1,307.70	1,151.78
Effect of Foreign exchange rate changes	4.77	(78.52)
<b>Cash and Cash equivalents as restated</b>	<b>1,312.47</b>	<b>1,073.26</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	Dinesh B. Patel	Chairman	Ramnikbhai H. Ambani	Director
	Arun P. Patel	Vice Chairman	Ashwin Lalbhai Shah	Director
	Rahul A. Patel	Managing Director	Dr. Rajesh B. Parikh	Director
For Deloitte Haskins & Sells Chartered Accountants	Amit D. Patel	Managing Director	Dr. Lavkumar Kantilal	Director
			Rooshikumar V. Pandya	Director

Gaurav J. Shah  
*Partner*  
Membership No. 35701

Ahmedabad  
Date : April 30, 2011

L. M. Rathod  
*Company Secretary*  
Ahmedabad  
Date : April 30, 2011

## Schedules forming part of the Consolidated Balance Sheet

(₹ in crore)

As at	31.03.2011	31.03.2010
<b>Schedule - 1   SHARE CAPITAL</b>		
<b>Authorised</b>		
50,00,00,000 (previous year 50,00,00,000) Equity Shares of ₹1/- each	50.00	50.00
15,00,000 (previous year 15,00,000) Preference Shares of ₹100/- each	15.00	15.00
<b>Total</b>	<b>65.00</b>	<b>65.00</b>
<b>Issued</b>		
27,30,22,666 (previous year 27,30,22,666) Equity Shares of ₹1/- each	27.30	27.30
<b>Total</b>	<b>27.30</b>	<b>27.30</b>
<b>Subscribed &amp; Paid Up</b>		
27,29,90,866 (previous year 27,29,90,866) Equity Shares of ₹1/- each	27.30	27.30
Less:- Amount recoverable from ESOP Trust (face value of Equity Shares allotted to the Trust)	0.19	0.20
<b>Total</b>	<b>27.11</b>	<b>27.10</b>

Notes:

Of the above Shares:

- During the year each equity share of ₹2/- each has been sub-divided into Two Equity Shares of ₹1/- each, hence all related reference for the prior periods have been restated for the sake of compatibility.
- During the year, 77,000 equity shares have been allotted to the employees on exercise of options granted to them under Sintex Industries Employees' Stock Option Scheme, 2006.
- 2,50,000 equity shares were issued as fully paid-up pursuant to contract without payment being received in cash.
- 1,49,11,300 equity shares were allotted as fully paid-up Bonus Shares by capitalising General Reserve, Securities Premium Reserve and Capital Reserve.

<b>Schedule - 2   RESERVES AND SURPLUS</b>			
<b>Capital Reserve</b>			
Balance as per last Balance Sheet		47.80	47.80
<b>Securities Premium Reserve</b>			
Balance as per last Balance Sheet*	673.48		673.48
Less: Expenses relating to Debenture issue	8.10		–
Add: Amount recovered from ESOP Trust	0.35		–
Add: Transferred from Employees Stock Option Outstanding on issuance of equity shares to employees	1.39		–
		667.12	673.48
* Include ₹34.26 crore (previous year ₹36.01 crore) recoverable from ESOP Trust (Premium on equity shares allotted to the Trust)			
<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	11.40		1.74
Add: Transferred from Profit and Loss Account	28.58		10.22
Less: Transferred to General Reserve	–		0.56
		39.98	11.40
<b>International Business Development Reserve ("IBDR") Account</b>			
(Refer note 4 of Schedule 20)			
Balance as per last Balance Sheet	58.74		69.27
Less: Adjusted against investment in a subsidiary	46.47		10.53
		12.27	58.74
<b>General Reserve</b>			
Balance as per last Balance Sheet	140.38		109.47
Add: Transferred from Debenture Redemption Reserve	–		0.56
Add: Transferred from Profit and Loss Account	40.20		30.35
		180.58	140.38
<b>Employees Stock Option Outstanding</b>			
Balance as per last Balance Sheet	22.27		12.00
Add: Amortisation during the year for Employee Compensation Expense	7.53		10.27
Less: Transferred to Securities Premium Reserve on issuance of equity shares to employees	1.39		–
		28.41	22.27
<b>Foreign Currency Translation Reserve</b>		(2.91)	(64.84)
<b>Balance of the Profit and Loss Account</b>		1,386.15	1,015.50
<b>Total</b>		<b>2,374.45</b>	<b>1,919.78</b>

## Schedules forming part of the Consolidated Balance Sheet

(₹ in crore)

As at	31.03.2011	31.03.2010
<b>Schedule - 3 SECURED LOANS</b>		
A. Debentures	600.00	250.00
B. From Banks		
a) Cash Credit Accounts		
In Rupees	526.44	439.66
In Foreign Currency	7.38	3.19
b) Term Loans		
In Rupees	406.19	526.97
In Foreign Currency	57.16	170.86
C. From Financial Institutions		
Term Loans		
In Rupees	35.00	51.43
D. Hire Purchase Loans	0.44	0.39
E. From Others	2.62	2.76
<b>Total</b>	<b>1,635.23</b>	<b>1,445.26</b>

Note: Out of above loans, amount payable within 12 months is ₹113.44 crore (Previous year ₹170.87 crore)

<b>Schedule - 4 UNSECURED LOANS</b>			
Zero Coupon Foreign Currency Convertible Bonds		1,004.63	1,015.65
From Banks		120.26	152.56
From Others		13.67	16.87
<b>Total</b>		<b>1,138.56</b>	<b>1,185.08</b>

Note: Out of above loans, amount payable within 12 months is ₹111.35 crore (Previous year ₹115.34 crore)

Particulars	GROSS BLOCK (AT COST)						DEPRECIATION AND AMORTISATION						NET BLOCK	
	As at 01.04.2010	Acquired on Acquisition	Additions	FCTR	Sales / Adjustments	Balance as at 31.03.2011	Upto 01.04.2010	Acquired on Acquisition	For the year	FCTR	Adjustment during the year	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
<b>Tangible Assets</b>														
Land	51.84	0.38	42.49	0.28	1.75	93.24	–	–	–	–	–	–	93.24	51.84
Buildings	272.97	24.13	64.43	3.82	1.06	364.29	70.09	12.02	13.17	(5.00)	0.91	89.37	274.92	202.88
Plant & Machinery	2,035.77	28.13	537.08	10.34	11.16	2,600.16	625.44	20.47	116.38	(22.34)	7.55	732.40	1,867.76	1,410.33
Furniture, Fixture & Office equipments	44.03	0.19	4.67	1.15	0.24	49.80	31.06	0.18	3.35	(2.31)	0.21	32.07	17.73	12.97
Vehicles	21.86	0.55	7.06	0.16	2.23	27.40	13.41	0.47	3.42	(0.34)	1.94	15.02	12.38	8.45
<b>Total Tangible Assets</b>	<b>2,426.47</b>	<b>53.38</b>	<b>655.73</b>	<b>15.75</b>	<b>16.44</b>	<b>3,134.89</b>	<b>740.00</b>	<b>33.14</b>	<b>136.32</b>	<b>(29.99)</b>	<b>10.61</b>	<b>868.86</b>	<b>2,266.03</b>	<b>1,686.47</b>
<b>Intangible Assets</b>														
Technical Know how	15.86	–	–	–	0.05	15.81	3.83	–	0.85	(0.02)	0.05	4.61	11.20	12.03
ERP Software	21.67	1.96	1.30	0.64	0.41	25.16	11.83	1.70	3.32	(1.02)	0.39	15.44	9.72	9.84
Non Compete Fees	4.87	–	–	–	0.03	4.84	3.66	–	1.14	–	–	4.80	0.04	1.21
Others (Goodwill)	89.18	56.21	–	1.52	–	146.91	15.30	–	7.48	(0.89)	–	21.89	125.02	73.88
<b>Total Intangible Assets</b>	<b>131.58</b>	<b>58.17</b>	<b>1.30</b>	<b>2.16</b>	<b>0.49</b>	<b>192.72</b>	<b>34.62</b>	<b>1.70</b>	<b>12.79</b>	<b>(1.93)</b>	<b>0.44</b>	<b>46.74</b>	<b>145.98</b>	<b>96.96</b>
<b>Total Assets</b>	<b>2,558.05</b>	<b>111.55</b>	<b>657.03</b>	<b>17.91</b>	<b>16.93</b>	<b>3,327.61</b>	<b>774.62</b>	<b>34.84</b>	<b>149.11</b>	<b>(31.92)</b>	<b>11.05</b>	<b>915.60</b>	<b>2,412.01</b>	<b>1,783.43</b>
Previous Year	2,378.80	–	262.22	(54.47)	28.50	2,558.05	636.63	–	144.46	9.59	16.06	774.62	1,783.43	
Capital Work in Progress													136.28	171.64

### Notes:

- Cost of land includes ₹0.07 crore for land held in a co-operative society at Daman. The Company holds 3 Shares of aggregate face value of ₹3000/- in the co-operative society as per the bye-laws of the society.
- Additions to Fixed Assets and Capital work in progress include capitalisation of borrowing costs pertaining to qualifying assets of ₹61.46 crore (previous year ₹47.68 crore) and ₹25.10 crore (previous year ₹32.10 crore) respectively.

## Schedules forming part of the Consolidated Balance Sheet

(₹ in crore)

	Face Value ₹	As at 31.03.2011		As at 31.03.2010	
		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	30200	0.09	30200	0.09
In Equity Shares (Fully Paid up)					
Trade, Unquoted					
In Associate					
Durha Constructions Pvt. Limited					
(Including ₹23.66 crore of Goodwill net of Capital Reserve arising on consolidation)	10	3056093	44.10	—	—
In others :					
Sintex International Ltd.	10	900000	3.00	900000	3.00
BVM Finance Pvt. Ltd.	10	1738000	8.69	1738000	8.69
Sintex Oil and Gas Limited	10	500000	0.05	—	—
Non-Trade, Unquoted					
In Debentures:					
Prakausali Investments (I) Pvt. Ltd. - 12.75%	1000000	—	—	80	8.00
Churu Trading Co. Pvt. Ltd. - 11.25%	5000000	—	—	10	5.00
ii) Current Investments					
Non-Trade, Unquoted					
Mutual funds					
Birla Sunlife Dynamic Bond Fund-Retail-G	10	2707279	4.02	17721089	26.54
Birla Sunlife STP 1	10	4825	0.01		
Birla Sunlife STP 5	10	148859	0.23		
Templeton India Short Term Income Plan Inst.-G	1000	209122	30.00		
Kotak Bond (Short Term) - Growth	10	5589320	10.26		
HDFC Cash Management Fund-TAP Wholesale G	10	4804493	10.21		
Tata Floater Fund - Growth	10	6829062	10.00		
Templeton India Income Opp. Fund- G	10	4675563	5.00		
Birla Sunlife Short Term Opportunities Fund-Institutional G	10	17946716	20.00		
Religare Credit Opportunities Fund-Institutional G	10	13713533	15.00		
Magnum Income Fund FR Savings Plus Bond Plan-G	10	13211174	20.00		
Axis Treasury Advantage Fund-Institutional G	1000	91993	10.00		
UTI Treasury Advantage Fund-Institutional Plan G Option	1000	75881	10.00		
Fidelity Ultra Short Term Debt. Fund-Institutional G	10	3937101	5.00		
Templeton India Ultra Short Bond Fund Super Institutional Plan-Growth	10	7908702	10.00		
IDFC MMF TPA-Growth (S.H.)	10	17632	0.03		
IDFC Imperial Equity Fund-Plan A G ( S.H.)	10	64001	0.12		
HDFC CMF Tap - R.G (S.H.)	10	7278	0.01		
HDFC Top 200 Fund G (S.H.)	100	6130	0.13		
HDFC Core and Satellite Fund (S.H.)	10	31472	0.12		
HDFC Equity Fund G (S.H.)	100	4657	0.12		
HDFC Top 200 Fund G (S.R.)	100	6154	0.12		
IDFC Imperial Equity Fund-Plan A G ( S.R.)	10	64525	0.12		
HDFC Top 200 Fund G (RN)	100	636	0.01		
HDFC cash Magnt. Fund Treasury Adv. Plan RG (S.K.)	10	14254	0.03		
HDFC Equity Fund G (S.K.)	100	934	0.03		
HDFC Top 200 Fund - G (S.K.)	100	1237	0.03		
Reliance Liquid Fund Treasury Plan Retail Option Growth Option Growth Plan (SH)	10	9891	0.02		
Reliance Banking Fund (S.H.)	100	733	0.01		
Kotak Floater Long Term-Growth(SH)	10	14302	0.02		
Kotak MID CAP (SH)	10	3427	0.01		
DSP BlackRoack Money Manager Fund-Regular Plan Growth (SH)	1000	322	0.04		
DSP BlackRoack Micro Cap Fund R- (SH)	10	5971	0.01		
IDFC Premier Equity Fund Plan A (SH)	10	3051	0.01		
DSP Black Rock Small and Mid Cap Fund - R (SH)	10	5266	0.01		
Reliance Monthly Interval Fund-Series-Institutional G Plan	10	15093314	20.00		
Reliance Money Manager Fund Institutional Option-G	10	115612	15.27		

## Schedules forming part of the Consolidated Balance Sheet

(₹ in crore)

	Face Value ₹	As at 31.03.2011		As at 31.03.2010	
		Nos./Units	Amount	Nos./Units	Amount
<b>Schedule - 6   INVESTMENTS (AT COST)</b>					
BNP Paribas Money Plus Institutional Growth	10	6988205	10.20		
HDFC High Interest Fund-Short Term Plan-Growth	10	262183	0.50		
Templeton India Income Opportunities fund-Growth	10	1890073	2.00		
IDFC Fixed Maturity Yearly Series 32 Growth	10	2500000	2.50		
Birla Sunlife govt. Securities Long Term Growth	10	726908	2.00		
Templeton India Short Term Income Retail Plan Growth	100	10563	2.00		
IDFC Money Manager Fund Treasury Plan Super Inst. Plan C Growth	10	312	—		
HDFC Cash Manager Fund-Treasury Advantage Plan-Wholesale-Growth	10	2928	0.01		
IDFC FMP- Yearly Series 42 - Growth	10	1488300	1.49		
Reliance Medium Term Fund R.P.Growth Plan	10	257664	0.51		
IDFC FMP-Half Yearly Series-12 Dividend	10	1260000	1.26		
IDFC Fixed Maturity Yearly Series 35 Growth	10	1500000	1.50		
ICICI Prudential FMP Series 53 1 Year Plan B cumulative	10	2530000	2.53		
HDFC FMP 370D Nov-2010 (2) Growth-Series XVII	10	1000000	1.00		
ICICI Prudential FMP Series 53 1 Year Plan C cumulative	10	1000000	1.00		
Kotak FMP Series 32 G	10	3000000	3.00		
ICICI Prudential FMP Series-53 1 years Plan F Cumulative	10	2560000	2.56		
IDFC Fixed Maturity Plan Yearly Series 36 Growth	10	1530000	1.53		
Reliance Equity Opportunities Fund-Retail Plan - G Plan	10	14937	0.05		
DSP BlackRock Equity Fund-Regular Plan G	10	31920	0.05		
Reliance Fixed Horizon Fund-XIX- Series 7-G Plan	10	129900	0.13		
HDFC Equity Fund-G	100	1872	0.05		
HDFC Prudence Fund-G	100	2935	0.06		
Tausus Short Term Income Fund-G Plan	1000	29980	5.00		
ICICI Prudential Blended Plan B Institutional Growth Option II	10	23763129	25.00		
UTI Fixed Income Interval Fund-Monthly Interval Plan Series I Institutional Divi.	10	19998200	20.00		
Birla Sunlife Short Term Fund-Retail-Growth	10			161725	0.25
Templeton India Short Term Income Plant Institutional Growth	1000			211876	30.00
Templeton Floating Rate Income Fund Long Term Plan Institutional Option-growth	10			21866706	30.00
LIC Income Plus Fund Growth Plan	10			8374578	10.00
LIC Saving Plus Fund-Growth Plan	10			7062745	10.00
Reliance Regular Saving Funds	10			4147588	5.00
IDFC Money Manager Fund Investment Inst. Plant B-Growth	10			14122150	20.00
Religare Credit Opportunities fund-institutional Inst. Plan B-Growth	10			29384694	30.00
DSP ML Fund Mngr. Ltd PMS-CPP	1000000			150	15.00
IDFC Money Manager Fund-Treasury Plan A-Growth	10			20663	0.30
IDFC Imperial Equity Fund-Pan A Growth	10			5450	0.01
HDFC Cash Management Fund -Treasury Advantage Plan-Retail-Growth	10			275055	0.55
HDFC Top 200 Fund Growth	100			1794	0.03
HDFC Core and Satellite Fund-Growth	10			1540	0.01
HDFC Equity Fund Growth	100			235	0.01
IDFC Imperial Equity Fund -Plan A Growth	10			13088	0.02
Reliance Short Term Fund-Retail plan A Growth	10			5798950	10.00
Fortis Short Term Income Fund-inst .Growth	10			9584328	10.00
Kotak Bond (Short Term)-Growth	10			5694955	10.00
ADG Absolute Diversified Growth Fund Limited	US\$ 100	87153	39.66	30100	14.52
<b>Total</b>			<b>377.52</b>		<b>247.02</b>
Quoted Investments		Cost	0.09		0.09
		Market Value	0.32		0.23
Unquoted Investments		Cost	55.84		24.69
Mutual funds		Cost	321.59		222.24
		Repurchase Value	326.65		227.32

## Schedules forming part of the Consolidated Balance Sheet

(₹ in crore)

As at		31.03.2011	31.03.2010
<b>Schedule - 7</b>	<b>INVENTORIES</b>		
Stores and Spare Parts		41.73	37.53
Raw Materials		128.57	96.63
Finished Goods		134.90	116.07
Process Stock		71.79	90.85
<b>Total</b>		<b>376.99</b>	<b>341.08</b>

<b>Schedule - 8</b>	<b>SUNDRY DEBTORS (Unsecured)</b>		
Considered Good		1,422.89	1,012.05
Considered Doubtful	7.51		7.70
Less: Provision for Doubtful Debts	7.51		7.70
		—	—
<b>Total</b>		<b>1,422.89</b>	<b>1,012.05</b>

<b>Schedule - 9</b>	<b>CASH AND BANK BALANCES</b>		
Cash on hand (including cheques on hand ₹ NIL (Previous year ₹0.03 crore)		0.77	0.58
With Banks :			
In Current Accounts	109.23		184.63
In Fixed Deposits	876.11		744.33
		985.34	928.96
[Out of above ₹505.25 crore (previous year ₹745.08 crore) unutilised amount of FCCB issue]			
[Out of above, Fixed Deposits of ₹142.49 crore (previous year ₹47.91 crore) under lien to banks]			
<b>Total</b>		<b>986.11</b>	<b>929.54</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		471.26	766.65
Loan to Employee Welfare Trust		4.09	4.09
Advance payment of Tax and Tax Deducted as Source (Net of Provision)		4.72	25.90
MAT Credit Entitlement		33.57	18.54
Balance with Central Excise Department		1.03	0.47
		514.67	815.65
Considered Doubtful	0.15		0.03
Less : Provision for doubtful loans & Advances	0.15		0.03
		—	—
<b>Total</b>		<b>514.67</b>	<b>815.65</b>

## Schedules forming part of the Consolidated Balance Sheet

(₹ in crore)

As at		31.03.2011	31.03.2010
<b>Schedule - 11 CURRENT LIABILITIES AND PROVISIONS</b>			
<b>A. Current Liabilities</b>			
Acceptances		49.69	47.87
Sundry Creditors			
- Due to Micro Small and Medium Enterprises	1.54	2.51	
- Others	640.19	392.22	
Investor Education and Protection Fund			
- Unclaimed Dividend	0.35	0.32	
- Unclaimed Debenture Installment & Interest	–	–	
(These do not include any amounts due and outstanding to be credited to "Investor Education and Protection fund")			
Interest accrued but not due	10.11	7.81	
	652.19	450.73	
<b>B. Provisions</b>			
Provision for Leave Salary	7.17	6.23	
Provision for Gratuity	7.64	6.34	
Other Provisions	63.98	55.93	
Premium payable on redemption of outstanding FCCBs	263.17	263.17	
Proposed Dividend	17.74	16.38	
Tax on Dividend	2.84	2.67	
	362.54	350.72	
<b>Total</b>	1,064.42	801.45	

<b>Schedule - 12 MISCELLANEOUS EXPENDITURE</b>			
(To the extent no written off or adjusted)			
Share Issue Expenses			
Opening Balance	0.02	0.21	
Less : Amount amortised	0.01	0.19	
<b>Total</b>	0.01	0.02	

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

(₹ in crore)

For the year ended		31.03.2011	31.03.2010
<b>Schedule - 13 OTHER INCOME</b>			
Interest (Gross)* [Includes from Non Trade Investment - ₹1.60 crore (previous year - ₹0.41 crore)]	32.96	30.07	
Dividend	0.20	–	
Profit on sale of Non-trade Investments (Net)	15.14	9.65	
Excess Provision for Expenses of earlier years written back	0.35	2.25	
Foreign exchange Gain	3.88	48.61	
Miscellaneous Income	7.80	34.79	
*Note: Tax deducted at source from Interest ₹1.60 (Previous year ₹3.38 crore)			
<b>Total</b>	60.33	125.37	

<b>Schedule - 14 INCREASE/(DECREASE) IN STOCK OF FINISHED AND PROCESS STOCK</b>			
Closing Stock			
Finished goods	134.90	116.07	
Process stock	71.79	90.85	
	206.69	206.92	
<b>Less: Opening Stock</b>			
Finished goods	116.07	137.27	
Process stock	90.85	97.16	
	206.92	234.43	
Opening stock of subsidiaries acquired during the year	(3.42)	–	
<b>Total</b>	(3.65)	(27.51)	

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

(₹ in crore)

For the year ended	31.03.2011	31.03.2010
<b>Schedule - 15 RAW MATERIALS CONSUMED</b>		
Cotton, Yarn and other Fibres	104.59	64.92
Raw Material Consumed - Plastic Granuals / Powder, etc.	1,237.10	866.81
Bought-out goods consumed	1,285.25	839.24
<b>Total</b>	<b>2,626.94</b>	<b>1,770.97</b>
<b>Schedule - 16 EMPLOYEES' EMOLUMENTS</b>		
Salaries, Wages, Bonus and other payments	354.33	336.41
Contribution to Provident, Superannuation and Gratuity Funds	9.87	8.05
Welfare Expenses	89.58	84.17
Employees Compensation Expenses	7.53	10.27
<b>Total</b>	<b>461.31</b>	<b>438.90</b>
<b>Schedule - 17 MANUFACTURING AND OTHER EXPENSES</b>		
Stores & Spare Parts Consumed	157.43	151.71
Site Development Expenses	15.98	29.81
Power & Fuel	112.48	97.93
Rent	22.66	26.58
Repairs:		
Buildings	6.86	5.15
Plants & Machinery	25.07	23.10
Others	4.06	3.40
	35.99	31.65
Excise duty provided on stocks	0.17	0.07
Insurance	7.13	7.90
Rates & Taxes	17.56	17.40
Stationery, Printing, Postage, Telegram and Advertisement etc.	11.96	16.62
Directors' Fees	0.05	0.05
Audit Fees	0.53	0.40
Commission and Brokerage on Sales	38.13	33.67
General charges	154.47	125.04
Charity & donation	0.35	0.91
Provision for Doubtful Debts and Advances	1.22	0.05
Bad Debt Written off	–	3.71
Loss on Sale of Fixed Assets	0.23	0.07
Misc. Expenditure Written off	0.01	0.19
<b>Total</b>	<b>576.35</b>	<b>543.76</b>
<b>Schedule - 18 INTEREST AND FINANCE CHARGES</b>		
On Debentures and Fixed Loans	42.00	17.21
On Working Capital and others	66.92	55.87
<b>Total</b>	<b>108.92</b>	<b>73.08</b>

### Schedule - 19 SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

#### 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.

## Schedules forming part of the Consolidated Accounts

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

- d) 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.
- e) 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.
- f) Investment in Associate Companies has been accounted under the equity method as per Accounting Standard-23 - "Accounting for Investments in Associates in Consolidated Financial Statements".
- g) The Company accounts for its share in change in net assets of the associates, post acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Profit and Loss account to the extent such change is attributable to the associates' Profit and Loss account and through its reserves for the balance, based on available information.
- h) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- i) 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.
- j) 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.
- k) Intragroup balances and intragroup transactions are eliminated to the extent of share of the parent company in full.
- l) Unrealised profits on account of intra group 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-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/associates companies considered in the Consolidated Financial Statements are:

Name of Subsidiaries	Country of incorporation	Effective ownership in subsidiaries/ associates as at	
		31.03.2011	31.03.2010
Zep Infratech Limited (Formerly known as Zeppelin Mobile Systems India Ltd.)	India	100.00%	100.00%
Bright AutoPlast Limited	India	100.00%	100.00%
Sintex Infra Projects Limited	India	100.00%	100.00%
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.	Netherlands	100.00%	100.00%
Amarange Inc.	British Virgin Island	100.00%	100.00%
Wausauke Composites Inc.	USA	100.00%	81.00%
Wausauke Composites - Owosso, Inc.	USA	100.00%	81.00%
WCI Wind Turbine Components, LLC	USA	100.00%	81.00%
Cuba City Real Estate LLC	USA	100.00%	81.00%
Owosso Real Estate LLC	USA	100.00%	81.00%
Nief Plastic SAS	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	Morocco	100.00%	100.00%
Siroco SAS	France	100.00%	100.00%
Thermodole SAS	France	100.00%	100.00%
AIP SAS	France	100.00%	100.00%
SIMOP SAS	France	100.00%	100.00%
SICMO SAS	France	100.00%	100.00%
SCI NP IMMO (w.e.f. 27.12.10)	France	100.00%	—
Nief Global Ltd. (w.e.f. 20.04.10)	UAE	100.00%	—
Wausauke Global Ltd. (w.e.f. 20.04.10)	UAE	100.00%	—
Durha Constructions Private Limited (w.e.f. 2.12.2010)	India	30%	—

## Schedules forming part of the Consolidated Accounts

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

	₹ in crore	
	2010-11	2009-10
2) Estimated amount (net of advances) of contracts remaining to be executed on capital accounts and not provided for	8.53	15.92
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	9.62	14.88
c) Performance guarantees given to customers by bankers	22.88	39.65
d) Letter of Credit facilities provided by bankers	3.84	-
e) Disputed demand not acknowledged as debt against which the Company has preferred appeal		
i) Income Tax	12.97	11.89
ii) Excise Duty	1.47	1.47
iii) Custom Duty	0.28	0.28
iv) Sales Tax	3.81	2.21
v) 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 was April 1, 2008. The Company filed the Order with the Registrar of Companies, Gujarat on April 14, 2009 within the time specified in the order and the Scheme had been given effect to in the previous year's financial statements. Accordingly, as per the Scheme, from the said date, the Company earmarked ₹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 ₹46.47 crore (previous year ₹10.53 crore) being such specified expenses as per the Scheme. 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) 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.

As per the terms and conditions of the Offering Circular dated March 12, 2008, the Conversion Price of FCCBs is reset at ₹246.50 from ₹290.00 per equity share of ₹1 each on March 12, 2010.

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

Particulars	US\$ in million	₹ in crore
FCCB issue expenses directly paid	1.01	4.04
Investment in overseas subsidiary	122.58	543.96

Unutilised FCCB proceeds amounting to ₹505.26 crore (previous year ₹737.45 crore) have been invested in fixed deposits and ₹1.85 crore (previous year ₹7.63 crore) have been lying in Current Account with banks at the year end.

6) 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.

7) The Profit and Loss Account includes:

	₹ in crore	
	2010-11	2009-10
Directors' Remuneration (Holding Company)		
a) Chairman/Vice Chairman Remuneration (Two)		
Salary	1.25	0.53
Commission	3.00	2.00
Contribution to Provident Fund and Superannuation Fund	0.34	0.14
Perquisites in cash or in kind	0.92	0.40
Total	5.51	3.07
b) Managing Directors' Remuneration (Three)		
Salary	1.56	1.12
Commission	3.75	2.50
Contribution to Provident Fund and Superannuation Fund	0.42	0.28
Perquisites in cash or in kind	1.12	0.83
Total	6.85	4.73
Grand Total	12.36	7.80

## Schedules forming part of the Consolidated Accounts

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

#### 8) 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 ₹91.70 per equity share of ₹2 each 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 ₹91.70 per equity share of ₹2 each aggregating to ₹9.17 crore. On August 21, 2006, the Company issued 10,00,000 equity shares of the face value of ₹2 each to ESOP Trust at ₹91.70 per equity share.

iii) During the year, each equity share of ₹2 each has been sub-divided into two equity shares of ₹1 each. Hence ESOP Trust holds 20,00,000 equity shares of the face value of ₹1 each at ₹45.85 per equity share.

The Company granted Nil equity share (previous year Nil equity share) options to eligible employees at ₹45.85 per equity share of ₹1 each. The details of outstanding options are as under:

Particulars	2010-11	2009-10
Options outstanding as at beginning of the year	2000000	2000000
Add: Options granted during the year	Nil	Nil
Less: Options exercised during the year	77000	Nil
Less: Options forfeited during the year	Nil	Nil
Options outstanding at the end of the year	1923000	2000000

iv) During the year, 77,000 equity shares of ₹1 each have been allotted to the employees on exercise of options granted to them.

#### 9) Employee Benefits

##### A) Defined Benefit Plans

i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Profit and Loss Account.

ii) The Defined Benefit Plan comprises of Gratuity and Leave Encashment

Gratuity is a benefit to an employee based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of continuous service with part thereof in excess of six months. The plan is funded through Sintex Industries Limited Employees Gratuity Trust Fund.

Leave Encashment is a benefit to an employee based on the number of leave days accrued to the credit of employee subject to a maximum limit as per the rules of the Company. The same is calculated on the basis of last drawn basic monthly salary including dearness allowance (if any). The plan is unfunded.

(₹ in crore)

Particulars	2010-11		2009-10	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
i Expense recognised in Profit & Loss Account and included in Schedule 16 "Employee Emoluments"				
Current Service Cost	1.77	1.25	1.59	1.15
Past Service Cost	0.02	—	—	—
Interest Cost	1.34	0.51	1.17	0.44
Expected return on plan assets	(0.99)	(0.01)	(0.86)	—
Net actuarial losses (gains)	0.86	0.21	0.05	(0.24)
Total Expenses	3.00	1.96	1.95	1.35
ii Reconciliation of opening and closing balances of changes in present value of the defined benefit obligation:				
Opening Balance of defined benefit obligation	16.66	6.37	14.76	5.51
Past Service Cost	0.02	—	—	—
Current Service Cost	1.77	1.25	1.59	1.15
Interest Cost	1.34	0.51	1.17	0.44
Actuarial losses (gains)	0.86	0.21	0.06	(0.23)
Liabilities extinguished on settlements	—	—	—	—
Benefits paid	(1.81)	(0.99)	(0.92)	(0.50)
Closing Balance of defined benefit obligation	18.84	7.35	16.66	6.37

## Schedules forming part of the Consolidated Accounts

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

(₹ in crore)

Particulars	2010-11		2009-10	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
iii Reconciliation of opening and closing balances of changes in the fair value of plan assets:				
Opening Balance of plan assets	10.32	0.14	9.04	–
Expected returns on plan assets	0.99	0.01	0.86	–
Actuarial gains (losses)	(0.01)	–	0.01	0.01
Assets distributed on settlements	–	–	–	–
Contribution by employer	1.71	1.02	1.33	0.13
Benefits paid	(1.81)	(0.99)	(0.92)	–
<b>Closing Balance of plan assets</b>	<b>11.20</b>	<b>0.18</b>	<b>10.32</b>	<b>0.14</b>
iv Net Liability recognised in the Balance Sheet				
Closing Balance of defined benefit obligation	18.84	7.35	16.66	6.37
Closing balance of fair value of plan assets	11.20	0.17	10.32	0.14
Present value of unfunded obligation recognised as liability	7.64	7.18	6.34	6.23
v Actual return on plan assets	0.98	0.01	0.86	–

	As at March 31, 2011	As at March 31, 2010
vi Actuarial Assumptions:		
Discount Rate	8.10%	8.00%
Expected rate of return on plan assets	9.25%	9.00%
Expected rate of salary increase	6.00%	6.00%
Mortality	LIC (1994-96) published table of rates	
Withdrawal Rates	3% at younger age reducing to 1% at older age	
Retirement Age	60 years	
Actuarial Valuation Method	Projected Unit Credit Method	

- a) The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.
- b) Expected Rate of Return of Plan Assets: This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of obligations.
- c) Salary Escalation Rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors

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.

viii. Past four years' data for defined benefit obligation and fair value of plan is as under:

(₹ in crore)

Particulars	2006-07	2007-08	2008-09	2009-10
Present value of defined benefit obligations at the end of the year (Independent Actuary)	9.38	12.22	14.76	16.66
Fair value of plan assets at the end of the year	6.42	7.33	9.04	10.32
Net assets/(liability) at the end of the year	(2.96)	(4.89)	(5.72)	(6.34)

ix The contribution expected to be made by the Company during the financial year 2011-12 has not been ascertained.

#### B) Defined Contribution Plans

₹6. 87 crore (previous year ₹6.10 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".

## Schedules forming part of the Consolidated Accounts

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

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

(₹ in crore)

Particulars	As at 31.03.2011	As at 31.03.2010
<b>Deferred Tax Liability</b>		
Difference between book and tax depreciation	240.14	197.84
Others	9.34	7.15
<b>Total</b>	<b>249.48</b>	<b>204.99</b>
<b>Deferred Tax Asset</b>		
Disallowances under Income Tax	(16.11)	(11.26)
Provision for doubtful debts & advances	(0.74)	(0.48)
Unabsorbed Depreciation	(26.91)	(23.94)
<b>Total</b>	<b>(43.76)</b>	<b>(35.68)</b>
<b>Deferred Tax Liability (Net)</b>	<b>205.72</b>	<b>169.31</b>

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

Particulars	2010-11	2009-10
<b>Basic Earnings Per Share before Extra Ordinary Items :</b>		
Profit attributable to the Shareholders (₹ in crore)	A 460.01	329.00
Weighted average number of Equity Shares outstanding during the year	B 270997406	270990866
Nominal value of Equity Shares (₹)	1.00	1.00
Basic Earnings Per Share (₹)	A/B 16.97	12.14
<b>Diluted Earnings Per Share before Extra Ordinary Items :</b>		
Profit attributable to the Shareholders (₹ in crore)	A 460.01	329.00
Weighted average number of Equity Shares outstanding during the year	B 270997406	270990866
Nominal value of Equity Shares (₹)	1.00	1.00
Diluted Earnings Per Share (₹)	A/B 16.97	12.14
Weighted average number of Equity Shares outstanding during the year for Basic EPS	270997406	270990866
Add : Dilutive potential Equity Shares	—	—
Weighted average number of Equity Shares outstanding during the year for Dilutive EPS	270997406	270990866

12) Related Party Transactions:

a) Names of related parties & description of relationship :

Sr. No.	Nature of Relationship	Name of Related Parties
1	Associate Companies	BVM Finance Pvt. 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) Details of transactions with related parties:

(₹ in crore)

Sl. No.	Volume of transactions	NATURE OF RELATIONSHIP				
		Associates	Enterprise directly/Indirectly Controlled	Relative Key Management Personnel	Key Management Personnel	Total
1	Managerial remuneration				12.36 7.80	12.36 7.80

## Schedules forming part of the Consolidated Accounts

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

(₹ in crore)

Sl. No.	Balance at the end of the year	NATURE OF RELATIONSHIP				Total
		Associates	Enterprise directly/Indirectly Controlled	Relative Key Management Personnel	Key Management Personnel	
1	Current Liabilities				6.75 4.50	6.75 4.50
2	Investments	8.69 8.69				8.69 8.69

c) Disclosure of Material Related Party Transactions during the year:

1) Managerial Remuneration include remuneration to Shri Dinesh B. Patel ₹2.76 crore (Previous Year ₹1.53 crore), Shri Arun P. Patel ₹2.75 crore (Previous Year ₹1.54 crore), Shri Rahul A. Patel ₹2.53 crore (Previous Year ₹1.77 crore), Shri Amit D. Patel ₹2.54 crore (Previous Year ₹1.79 crore), Shri S.B.Dangayach ₹1.78 crore (Previous Year ₹1.17 crore).

13) 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 & 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, 2011 of minimum installments in respect of assets acquired under the Lease Agreements are as follows:

Particulars	As at 31.03.2011	As at 31.03.2010
<b>Minimum Installments</b>		
i) Payable not later than 1 year	0.17	0.14
ii) Payable later than 1 year and not later than 5 years	0.32	0.30
iii) Payable later than 5 years	—	—
Total minimum installments	0.49	0.44
Less : Future finance charges	0.05	0.05
Present value of minimum installments	0.44	0.39
<b>Present Value of Minimum Installments</b>		
i) Payable not later than 1 year	0.14	0.12
ii) Payable later than 1 year and not later than 5 years	0.30	0.27
iii) Payable later than 5 years	—	—
Total present value of minimum installments	0.44	0.39

B) Operating Lease

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

(₹ in crore)

Particulars	2010-11	2009-10
Office premises	5.79	5.32
Residential Flats for accommodation of employees	0.55	0.27

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 Accounts

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

#### 14) Information about Business Segment

##### 1) Primary Segment Information

Nature of Transactions	Textile		Plastic		Unallocated		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
i) Segment Revenue	437.53	346.31	4046.18	2972.86	51.77	87.84	4535.48	3407.01
Less: Inter Segment Revenue	—	—	—	—	—	—	—	—
Net Sales/Income from Operations	437.53	346.31	4046.18	2972.86	51.77	87.84	4535.48	3407.01
ii) Segment Result	60.04	25.80	620.56	386.17	37.53	69.44	718.13	481.41
Less: Unallocated Expenses net of								
Unallocated Income	—	—	—	—	—	—	—	—
Interest Expenses	—	—	—	—	(108.92)	(73.08)	(108.92)	(73.08)
Profit Before Tax	60.04	25.80	620.56	386.17	(71.39)	(3.64)	609.21	408.34
Current Tax	—	—	—	—	129.73	62.14	129.73	62.14
MAT Credit	—	—	—	—	(22.09)	(18.54)	(22.09)	(18.54)
Deferred Tax	—	—	—	—	36.41	27.35	36.41	27.35
	60.04	25.80	620.56	386.17	(215.43)	(74.59)	465.16	337.38
Excess/(Short) Provision for								
taxation in earlier years (net)	—	—	—	—	(6.78)	(6.26)	(6.78)	(6.26)
Profit After Tax Before Minority								
Interest	60.04	25.80	620.56	386.17	(222.21)	(80.85)	458.38	331.12
Less : Minority Interest	—	—	0.26	2.12	—	—	0.26	2.12
Add: Share of Profit of Associate	—	—	1.89	—	—	—	1.89	—
Profit After Tax	60.04	25.80	622.19	384.05	(222.21)	(80.85)	460.01	329.00
iii) Other Information:								
Segment Assets	918.78	751.64	4016.57	3111.34	1510.11	1703.96	6445.46	5566.94
Segment Liabilities	110.15	8.91	1306.71	1010.88	1319.93	1309.52	2736.79	2329.31
Capital Expenditure	184.22	15.10	505.45	78.90	—	—	689.67	94.00
Depreciation	42.65	43.07	106.45	101.39	—	—	149.10	144.46
Non-cash expenses other								
than depreciation		—	8.56	14.22	—	—	8.56	14.22

##### 2) Secondary Segment Information

	2010-11	2009-10
i) Segment Revenue		
External Turnover		
- Within India	3297.69	2386.26
- Within Europe	991.53	833.36
- Others	246.26	187.39
Total Revenue	4535.48	3407.01
ii) Segment Assets		
- Within India	5244.59	4684.57
- Within Europe	1001.64	708.35
- Others	199.23	174.02
Total Assets	6445.46	5566.94
iii) Segment Liability		
- Within India	2358.58	2060.78
- Within Europe	319.87	248.59
- Others	58.34	19.94
Total Liability	2736.79	2329.31
iv) Capital Expenditure		
- Within India	546.02	69.48
- Within Europe	139.65	20.01
- Others	4.00	4.51
Total Capital Expenditure	689.67	94.00

##### 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 Accounts

### 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, profit on sale of Fixed Assets (net), Miscellaneous Sales, Export Incentive, Foreign Exchange Gain etc.

(₹ in crore)

	2010-11	2009-10
Segment Revenue comprises of:		
Sales	4475.15	3281.64
Other Income	60.33	125.37
<b>Total</b>	<b>4535.48</b>	<b>3407.01</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.

15) Previous year's figure have been regrouped wherever necessary.

#### Signature to Schedule 1 to 20

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

Gaurav J. Shah

Partner

Membership No. 35701

Ahmedabad

Date : April 30, 2011

L. M. Rathod

Company Secretary

Ahmedabad

Date : April 30, 2011





**Sintex Industries Limited**

Kalol - 382 721, Gujarat, India.