Annual Report 2013-14

SINTEX
ACTIVE THINKING

Sintex Industries Limited

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,	*Chairman*
Arun P. Patel,	*Vice Chairman*
Ramnikbhai H.Ambani	
Ashwin Lalbhai Shah	
Dr. Narendra Kumar Bansal	
Indira J. Parikh	
Dr. Rajesh B. Parikh	
Dr. Lavkumar Kantilal	
Rahul A. Patel,	*Managing Director (Group)*
Amit D. Patel,	*Managing Director (Group)*
S.B. Dangayach,	*Managing Director*

BANKERS :

State Bank of India
Bank of Baroda
IDBI Bank Ltd.

AUDITORS :

Deloitte Haskins & Sells
Chartered Accountants
Ahmedabad

REGISTRAR & SHARE TRANSFER AGENT

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

COMPANY SECRETARY:

Hitesh T. Mehta

REGISTERED OFFICE :

Kalol (N.G.) 382721, Gujarat, India
Tel (91-2764) 253000
Fax : (91-2764) 253100, 222868
E-mail : bvm@sintex.co.in
Website : www.sintex.in
CIN : L17110GJ1931PLC000454

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Standalone Financial - 5 Years Highlights

Description	31.03.2014	31.03.2013	31.03.2012	31.03.2011	31.03.2010
A. BALANCE SHEET					
Total Assets:					
Fixed Assets (Net)	2,749.99	2,231.78	2,085.88	1,844.76	1,473.34
Investments	1,029.24	966.55	874.23	1,123.63	807.94
Net Assets (Current and Non Current)	3,088.25	2,968.41	2,361.49	1,892.84	1,927.36
	6,867.48	6,166.74	5,321.60	4,861.23	4,208.64
Total Liabilities:					
Net Worth	3,042.13	2,799.34	2,333.87	2,172.42	1,882.12
Loan Funds	3,513.92	3,096.37	2,758.32	2,495.98	2,174.37
Deferred Tax Liability (Net)	311.43	271.03	229.41	192.83	152.15
	6,867.48	6,166.74	5,321.60	4,861.23	4,208.64
B. STATEMENT OF PROFIT & LOSS					
Gross Sales	3,314.47	3,064.85	2,629.65	2,674.21	2,103.56
Earning before interest, tax and depreciation	829.77	670.47	578.67	648.52	476.83
Finance Costs	237.38	144.49	110.49	86.82	51.32
Depreciation	138.33	123.18	98.05	89.25	84.03
Profit before Exceptional Items	454.06	402.80	370.13	472.45	341.48
Exceptional Items	16.06	90.35	46.64	(6.24)	0.00
Profit Before Tax	438.00	312.45	323.49	478.69	341.48
Taxation	102.94	43.26	93.79	121.13	67.78
Profit After Tax	335.06	269.19	229.70	357.56	273.70
Dividend (including dividend distribute tax)	25.64	25.48	20.62	20.58	19.05
Retained Earnings	309.42	243.71	209.08	336.98	254.65
Earnings per Equity Share (₹)	10.77*	9.46*	8.48*	13.19*	20.20**
Debt/Equity Ratio	1.15	0.95	1.18	1.15	1.16
Dividend %	70%	70%	65%	65%	60%

* On subdivided equity shares of ₹1/- each

** On subdivided equity shares of ₹2/- each

Figures have been regrouped/re-classified whereever required

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 83rd Annual Report together with the audited accounts of your Company for the financial year ended 31st March 2014.

Financial highlights

The financial performance of the Company for the financial year ended on 31st March, 2014 is summarised below:

(₹ in Crore)

Particulars	2013-14	2012-13
Gross turnover	3314.47	3,064.85
Gross profit	576.33	435.63
Less : Depreciation	138.33	123.18
Profit before tax	438.00	312.45
Less: Provision for taxation — Current tax	93.07	62.68
MAT Credit Entitlement	(35.36)	(62.10)
Deferred tax	40.40	41.62
Profit/(loss) after tax before prior period items	339.89	270.25
Add/(Less): Short provisions for taxation of earlier years	(4.83)	(1.06)
Profit after tax	335.06	269.19
Balance of profit of previous year	1490.75	1,307.81
Profit available for appropriation	1825.81	1,577.00
Appropriations		
General reserve	35.00	27.50
Debenture redemption reserve	33.27	33.27
Proposed dividend on equity shares	21.92	21.92
Tax on dividend	3.72	3.56
Balance carried to balance sheet	1731.90	1,490.75
TOTAL	1825.81	1,577.00

Note: Previous year figures have been regrouped/re-classified wherever required

Financial performance :

Your Company's performance was commendable despite the prevailing policy logjam and the Government's inability to clear important growth inducing policies which put economic progress on the backburner.

Your Company's posted a gross turnover of ₹3314.47 Crores in 2013-14 – a growth of 8.14% over ₹3064.85 crores in 2012-13. The growth was primarily due to the robust performance of the prefab business supported by good business volumes from other business verticals.

The Company's flagship business segment – monolithic construction reported a subdued performance due to the prevailing external factors that impacted business profitability – namely delays in site clearances and a stretched receivables cycle.

EBIDTA grew to ₹829.77 crores against ₹670.47 crore in the previous year, while Net Profit climbed to ₹335.06 crore against ₹269.19 crore over the same period. The earning per share stood at ₹10.77 (basic) and ₹10.77 (diluted) in 2013-14.

Cash plough back into the business was ₹592.39 crore in 2013-14 as against ₹525.98 crore in 2012-13 – providing an adequate cushion for funding growth initiatives.

Dividend

Your Directors are pleased to recommend dividend of ₹0.70 per share on face value of ₹1/ each, on 31,31,09,980 Equity shares fully paid up as on March 31, 2014 (Previous Year ₹0.70 per share on face value of ₹1/ each, on 31,31,09,980 Equity shares) and any further equity shares that may be allotted by the Company upon conversion of FCCBs and Warrants prior to book closure date for 2013-14.

The dividend will be paid subject to the approval of shareholders at the forthcoming Annual General Meeting to those shareholders whose names appear on the Register of Members of the Company as on the specified date.

Business review and divisional performance:

Despite the external environment being plagued with high interest costs, stubborn inflation and a policy logjam, your Company's performance was heartening. Most key business verticals, other than monolithic construction, registered improved numbers. A detailed discussion of your Company's operations is given under the 'Management discussion and analysis report.'

A. Plastics division: The Company's plastics business performed well. Revenue grew 6.77% from ₹2593.14 crore in 2012-13 to ₹2768.61 crore in 2013-14 despite the planned degrowth in the monolithic construction space. The plastics business contributed 90.87% of the Company's consolidated revenues.

The prefab business retained its star performer position with large business volumes from Maharashtra (for sprucing up education facilities), Gujarat (for strengthening infrastructure in tribal areas) and heartening volumes from other states.

Other businesses namely water storage tanks, sandwich panels and sub-ground structures logged in strong business volumes to make a meaningful contribution to the business segment growth.

The SMC business remained the key growth contributor as the Company extended its footprint into new states generating heartening volumes. Pallets and insulated boxes also made important contribution to the division's growth.

B. Textiles division: Your Company's textile business recorded a strong rebound in 2013-14 supported by strong business volumes. Revenue grew 15.72% from ₹471.71 crore in 2012-13 to ₹545.86 crore in 2013-14. This was achieved primarily due to the shift in focus from international markets to domestic customers which strengthened business volumes. Besides, the Company's innovation efforts in rejuvenating its products baskets, optimising costs and widen its reach in domestic markets also contributed rich dividends.

Subsidiaries

The Company's subsidiaries Nief Plastics SAS, Sintex Wausaukee Composites Inc., Bright AutoPlast Ltd and Sintex Infra Projects Ltd and provide infrastructure and highly-engineered custom moulding solutions. These companies work closely with each other to generate more business and enhance profitability of the parent company. On Account of disinvestment, of entire holding, Zep Infratech Limited has ceased to be a subsidiary of the Company.

Performance of subsidiaries

1) **Nief Plastics SAS:** The figures of the financial year closed to March 31st , 2014 represent a growth as well as an excellent resistance to the difficult economic and business environment that prevailed across Europe. The integration of the new subsidiaries during 2012 (German and Polish) progressed on schedule with the implementation of good practice of the SINTEX NP group. This allowed us to be close to local markets and enrich the customer basis with prestigious German references. The year 2014 should go further in consolidating these gains and ensure the further development of SINTEX NP.

2) **Sintex Wausaukee Composites Inc.:** During the year, Sintex Wausaukee undertook extraordinary action that facilitated the Company's return to profitability. In addition, the team implemented several initiatives to expand its capabilities which would drive growth in 2014 and beyond. Some of them include:

- Added an ERP system to improve our cost accounting and reporting
- Restructured our organization to allow our sales and marketing teams to drive growth in our new Business Units
- Securing organic growth with our core OEMs including the awarding of Phase III at New Flyer and reorganizing our plants to meet the increased demand for components.
- Seek opportunities to expand our capabilities with strategic acquisitions in thermoforming and RIM.
- Continue to drive the growth of our Special Projects Vehicle with the installation of the Pune LRTM cell and growth opportunities with Cummins Power Generation.

We are confident that these initiatives will strengthen the Company contribution to the consolidated revenue and profitability.

3) **Bright AutoPlast Ltd.:** Due to de-growth in the automotive segment the key customer for Bright Auto resulted in a subdued performance for the Company thus revenue declined by 2.8% – its first decline in absolute numbers since its takeover, However, due to various cost reduction measures, Company has improved its EBIDTA by 10.8%. Also the Company made heartening progress in securing approvals from large and respected global and Indian brands for new products which will lay the foundation for a robust growth in the coming years. These approvals include:

- Eicher-Polaris: Tailgate outer, Hood Cover, Front & Rear Fender, Fire Wall, Fuel Tank etc.
- Volvo Eicher: Fuel tanks, degassing tanks, Cabin ducts, Air-intake system ducts and wheel guards
- Volvo: DEF Tank (Urea) to serve domestic and export demand for ducts and wheel guards
- Borg-Warner: engine management components
- TRW: PAB Cover LH and RH.
- Hydec: degassing tanks.

The Company has set-up a Roto-moulding facility inside its Pithampur factory which is expected to commence operation in the second quarter of 2014-15. In addition, the Company is setting up a new composite manufacturing facility with LRTM (Light Resin Transfer Moulding) at its Pune unit. This technology has been acquired from Sintex Wausaukee Composites Inc USA and will be used for manufacturing large-sized exterior and interior parts of (more than 2 Sq Meter) with painting for automotive, construction equipment, mass transit and medical equipment OEMs.

4) **Sintex Infra Projects Ltd.:** The Company leverages its rich track record of executing civil and mechanical construction to execute infrastructure projects. It is working on some important projects namely 1) executing an EPC Contract worth ₹1300 crore for Shirpur Power 2) creating check posts projects in Madhya Pradesh and 3) creating pollution management infrastructure in Uttar Pradesh and 4) a low-cost housing project in Rajasthan. These projects have progressed as per agreed schedules and the Company has consistently received funds as per the scheduled milestones.

During the year under review, the company successfully bagged a major EPC contract worth ₹1406.51 Crores for setting up the Spinning Project in the state of Gujarat.

Employee stock option scheme

The shareholders of the Company had approved of its employee stock option plan (Sintex Industries Limited Employees Stock Option Scheme 2006) in February 2006. These ESOPS are 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 I of this Report.

The Members of the Company in the Annual General meeting held on September 17, 2012 have approved the extension of exercise period from two years to four years of Sintex Industries Limited Employees Stock Option scheme 2006.

Fixed deposits

Your Company did not float any deposit scheme to which provisions of Section 58A of the Companies Act, 1956 and the Rules made there under are applicable.

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
- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
- Singapore Exchange Securities Trading Limited, 2 Shenton Way, # 19 – 00 SGX Centre 1, Singapore-068804. (FCCB'S US$ 140 million)
- BSE Limited (Wholesale Debt Market), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 (NCD ₹250 crores and NCD ₹350 crores)

The equity shares of the Company have been delisted from Ahmedabad Stock Exchange Limited w.e.f. 26th August, 2013 and the Company paid Listing Fees to all the above Stock Exchanges for FY 2014-15.

Management Discussion and Analysis

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Management Discussion and Analysis Report for the year under review are annexed to this Report and forms part of this Annual Report.

Corporate Governance

Sintex continues to be committed to good Corporate Governance aligned with the best practices. It has complied with all the standards set out by SEBI and the Stock Exchanges.

A separate Report on Corporate Governance along with Practising Company Secretary's Certificate on compliance with the conditions of Corporate Governance as per Clause 49 of the

Listing Agreement with the Stock Exchanges is provided as a part of this Annual Report, besides the Management Discussion and Analysis.

Your Company has made all information, required by investors, available on the Company's website www.sintex.in

Directors

Mr. Rahul A. Patel, Managing Director (Group) and Mr. S. B. Dangayach, the Managing Director of the Company are due to retire by rotation at this Annual General Meeting in terms of section 152(6) of the Companies Act, 2013 and are eligible for reappointment. The Board recommends the reappointment of above Directors of the Company.

The independent directors of the Company were appointed as such being liable to retire by rotation under the erstwhile Companies Act, 1956. However, Explanation to Section 152(6) (e) of the Companies Act, 2013 provides that for the purpose of this sub section "total number of directors" shall not include independent directors , whether appointed under this Act or any other law for the time being in force, on the Board of a company. Accordingly, none of the Independent director shall be liable to retire by rotation under the new term.

The company at present has six independent directors and in terms of clarification issued by Ministry of Corporate affairs vide Circular No. 14/2014 Dated 9th June, 2014 and provisions of Section 149(5) of the Companies Act, 2013, all the independent directors as on commencement of new act have to be appointed under the provisions within a period of one year. Mr. Ramnikbhai H Ambani, Smt. Indira J Parikh and Dr. Rajesh B Parikh are due for retirement in 2014 and other independent directors Dr. Luvkumar Kantilal Shah, Dr. Narendra K Bansal and Shri Ashwin Lalbhai Shah are due to retire in 2015, 2015 and 2016, respectively. However, in view of the aforesaid circular, the above three Independent directors would be deemed to have demitted their office at the ensuing Annual general Meeting and would be appointed for the first term as Independent Director for a term of three years i.e. up to the 86th Annual General Meeting in the year 2017. The Company has received declaration in terms of Section 149(6) of the Companies Act, 2013. The Company has received specific notices from the members of the Company under section 160 of the Companies Act, 2013, along with a requisite security deposit in each case for appointments as Independent Directors for a term of 3 (three) years.

The Board recommends the appointment of above as Independent Directors of the Company.

As stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, brief profile of the Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of the companies in which they hold directorships and shareholding are provided in the Notice attached forming part of the Annual Report.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts for the year under review, the applicable accounting standards have been followed and there have been no material departures.
2. 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. 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. The annual accounts of the Company have been prepared on a 'going concern' basis.

Consolidated financial statements

The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards prescribed by the Institute of Chartered Accountants of India, in this regard.

Subsidiaries

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit & Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the annual accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

Conservation of energy, technology absorption, and foreign exchange earnings and outgo

A statement containing the necessary information required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given in the Annexure II forming part of this Report.

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 III. 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 Properties of your Company, including plant and machinery, buildings, equipments, and stocks among others have been adequately insured.

Auditors and Auditors Report

M/s Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad, are associated with the Company, since long as Statutory Auditors. The Company is in receipt of a Special Notice u/s 140 (4) read with section 115 of the Companies Act, 2013 proposing M/s Shah & Shah Associates, Chartered Accountants, Ahmedabad (FRN 113742W) as Statutory Auditors in place of M/s Deloitte Haskins & Sells, Chartered Accountants, the retiring Auditor of the Company. Although not statutorily required under the provisions of the Companies Act, 2013, but as part of pro-active governance and considering the Auditor's rotation, the Board of Directors on the recommendation of the Audit Committee has decided to support the said Special Notice. M/s. Shah & Shah Associates, Chartered Accountants, Ahmedabad (FRN 113742W) have furnish a letter dated 27th June, 2014 to the effect that the appointment, if made, would be within the prescribed limits under the Section 141(3)(g) of the Companies Act, 2013 and they are not disqualified for appointment.

The Board places on record its appreciation for services rendered by M/s Deloitte Haskins & Sells, as Statutory Auditors' of the Company.

The Notes on Financial Statement referred to in the Auditors Report are self explanatory and do not call for any further comments.

Cost Auditor

The Central Government has approved the appointment of M/s. Kiran J Mehta & Co, Cost Accountants, Ahmedabad (Membership No. 00025) and Mr. V. H. Shah, Cost Accountants, Ahmedabad (Registration No. 100257) for conducting Cost Audit for the Financial Year 2013-14 for the Textile and Plastic Businesses of the Company respectively.

The Company has filed the consolidated Cost Audit Report for the year ended March 31, 2013 on September 27, 2013 within the time limit as prescribed by the Ministry of Corporate Affairs. The Company has also filled the cost compliance report on September 27, 2013 within the time limit as prescribed by the Ministry of Corporate Affairs.

Acknowledgements

Your Directors wish to place on record the excellent support, assistance and guidance provided by the financial institutions, banks, customers, suppliers and other business associates. Thanks to our Company's employees for their tireless efforts and high degree of commitment and dedication. Your Directors especially appreciate the continued understanding and confidence of the Members.

On behalf of the Board,

Date: July 4, 2014 — **Dinesh B Patel**

Place: Ahmedabad — *Chairman*

Annexure “I” to the Directors’ 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, 2014

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	10,00,000
f. Options exercised	38,500*
g. Options lapsed	Nil
h. Variation of terms of options	The Members of the Company at the Annual General Meeting held on 17.09.2012 have approved extension of exercise period from two years to four years.
i. Money realised by exercise of options	Nil
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 two 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 two equity shares 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 “II” 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:**

Plastics Division:

1) Installed 2 no (30 hp & 40 HP) Ac freq. drive at Hydraulic Press in SMC Dept. resulting in power saving and less maintenance.

2) LED Lighting Fixtures installed in place of old light Fixtures resulting resulting in power saving and less maintenance.

3) T-5 Lighting Fixtures installed in all New Out side Plant resulting in less power consumption and less maintenance.

4) For SMC Dept, Pultrusion Dept, Roto Moulding Dept & Street light planned for LED Lighting Fixtures in place of Old Light Fixture.

5) Replaced A.C. Variable Drives in Place of DOL Starter on Rock & Roll Machines in Roto Molding dept. resulting in Energy Saving and Reduction in Mechanical & Electrical Maintenance and down time.

6) Replaced Energy Efficient Bore well pump in Bore well No.-2 to get energy saving.

7) Installed Smart Sense instrument at Namakkal, Ulubearia, Nalagarh Plant to see Online (Current and previous day's) various parameters of electric power, i.e voltage, Amp., KVA and KWH in any computer with Internet connection. Also provision of SMS alert if any value goes beyond the set parameters. The benefit is to get proper load shedding as per advance planning.

8) Installed New 6 No's Inverter type Split Air condition in place of very old window Air Condition resulting energy saving.

9) Using PLC Based Blow Molding Machine we have Benefited Considerably such as Productivity increased, reduced consumption of Power, reduced Maintenance and Man Power

10) Installed AC Freq. Drive at compressor in FRP dept. The Result is Less Power consumption and Break Down Reduced in Power cost.

11) In office building chilling plant & Pre Molding chilling plant replaced 5 H.P. Efficient pump in place of old inefficient 7.5 H.P. pump.

12) Renovated the screw & barrel in 150 MM Extruder m/c. The result is increased the Production.

13) Insulation of all Inlet & Out let pipe lines of Voltas Chilling Plant in Pre-molding dept. was revamped. The result is increase in cooling efficiency and saving the electrical consumption.

14) Installed CCTV cameras in SMC, Roto Molding & Various Security Points to control the various activities.

Textile Division:

1) In the Process Division, an overhead water tank was installed. Prior to this, water was supplied through a pump, which was running for 24 hours continuously. After the installation of an overhead tank, the working of the pump is reduced there by reducing power consumption and got smooth distribution of water supply with equal pressure at different water usages.

2) Existing MS Water Supply Pipeline of Processing Department is replaced with ASTRAL CPVC line for rustless water supply and it consumes the less power because of the resistance less surface.

3) At Central Effluent Treatment Plant, earlier one no. Blower Motor (having 30 HP capacity) was running continuously 24 Hrs. After changing the process of treatment, working hours of this blower motor is now reduced to 40 % resulting into saving of energy.

4) After modification is done on pipe line at Old ETP plant. Before from Old ETP to Central Effluent plant Effluent is supply through two nos of pump 50HP and 40HP. After modification only one pump 50HP is used and working of 40HP pump is reduce to 80% Which resulting into saving of energy.

5) Condensate water from CRP plant is taken back into system for re-use, resulting in cost savings. This Water is fed to feed water of boiler and due to its high temperature the boiler efficiency is increased.

6) Process Department, Mercerise Machine Condensate Return Water is now recovered and being used as Feed Water in Mill Steam Boiler. This water was earlier drained in to effluent.

7) In Omni Airjet Looms, LED type under loom lighting fixtures installed for weaving fabric quality checking

on loom. This LED type fixtures are having less power consumption and less maintenance compared to conventional type fixtures.

8) For Increasing the efficiency of Steam Boilers, High Pressure Jetting Wash introduced while annual inspection of boilers.

9) In IBL Steam Boilers, Common Draft of Flue Gas is divided in to two individual draft for increasing the efficiency of the IBL boiler.

10) In Yarn dyeing Division, Overhead water Tank is installed. Before water supply through pump was running continuously 10 Hrs. After installation of overhead tank this pump is eliminated resulting in power saving.

11) In Softening Plant, the supply of bore well water was given by two nos. centrifugal pumps which are replaced by one submerged pump resulting in power reduction.

12) In textile Division, Humidification Plants are audited for its performance by calculation of volume and existing CFMs. From the report, CFMs are balanced in all plants by changing blade angles and switching off the return and supply air fans, ultimately resulting into saving of energy.

b) Additional investments and proposals, if any, being implemented to reduce consumption of energy.

Plastics Division

1) To install Ac freq drive at Pultrusion & rock & roll Machine Machine in Pre Molding & Roto Molding dept. at out site plant

2) Working on replacement of remaining Street Light & Departments lights by LED fixtures which consume less power and reduction in maintenance.

3) Renovation of Screw & Barrel of 150 MM Extruder m/c to increased the production.

4) P.S. department cooling water pipe line modification. This is to introduce reducing power consumption.

5) P.S. department chilling plant working efficiency with less energy consumption is to be increased by introducing heat exchanger.

Textile Division:

1) In Textile Division, we are introducing Effluent Heat Recovery Skid which recollect the thermal energy from the hot effluent of yarn dye house and gives the hot water output for the dyeing machines.

2) In Textile Division, we are working on replacement of underloom tubelights by LED strips which consumes 50% less power than the tube light fixtures without affecting the light output for quality inspection and control to reduce energy consumption and maintenance.

3) In the textile division, by replacing high-efficiency ring frames, power consumption reduced and productivity increased.

4) In the textile division, Staffy-made yarn dyeing machines are to be replaced with fully-automatic Gofront-made yarn dyeing machines, which are more energy-efficient.

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

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

g) Total foreign Exchange used and earned.

	2013-14 (₹ in Crores)	2012-13 (₹ in Crores)
i) Foreign Exchange earned including direct exports	38.50	36.55
ii) Foreign Exchange used	25.07	17.72

Form - A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSUMPTION OF ENERGY.

	Current year	Previous year
(A) Power and Fuel Consumption.	2013-14	2012-13
1. Electricity:		
(a) purchased: Unit (lacs)	715.53	504.52
Total Amount (₹ lacs)	4000.10	3,881.78
Rate/Unit(₹)	5.59	7.69
(b) Own Generation		
(i) Through Captive Power Plant: (M&W)		
Units(lacs)	–	2.32
Units per liter of Diesel/Furnace oil/Gas	–	3.20
Cost/Unit(₹)	–	11.93
(ii) Through Captive Power Plant: (GT)		
Units (lacs)	–	298.67
Units per SCM of Gas	–	2.85
Cost/Unit (₹)	–	9.22
2. Furnace Oil: (Qty.Kilolitres)	–	72.44
Total Amount (₹ lacs)	–	27.66
Average Rate (₹/litre)	–	38.18
3. Others:		
(a) Natural Gas		
Quantity Consumed in M3	5,427.49	6,189.28
Total cost (₹ lacs)	640.06	568.46
Rate/Unit(1000 m3)(₹)	11792.97	9,184.59
(b) RLNG Gas		
Quantity Consumed in (000) SCM	3,007.02	10,393.45
Total cost (₹ lacs)	1,310.09	3,087.07
Rate/Unit (000 SCM)(₹)	43,567.76	29,702.07
(c) L.P.G		
Quantity consumed (in lacs kgs)	17.74	26.67
Total cost (₹ in lacs)	1,231.86	1,721.92
Rate/unit (Kgs.) (₹)	69.38	64.57

	Standard	Current year	Previous year
(B Consumption per Unit of Production:			
1. Electricity (Units)			
Textile a) Fabrics on production meters basis	No Specific standard as such The consumption per unit depends On the Product Mix	1.42	1.51
b) Yarn (per kg.)		5.87	5.60
Plastic Containers (per kg.)		0.56	0.49
Plastic Section (per kg.)		0.75	0.71
Sheet Moulding (per kg.)		0.52	0.51
Thermoforming		0.00	4.93
2. Gas Consumption (Textile – on production mtr.basis)		0.15	0.62
3. Others: (a) Gas (M3)			
(Textile on production meters basis)		0.10	0.25
Plastic Containers (Per kg.)		0.21	0.22
Plastic Sections (Per kg.)		0.02	0.02
(b) L.P.G			
Plastic Containers (Per kg.)		0.20	0.21

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

Form - B

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO ABSORPTION OF TECHNOLOGY, RESEARCH & DEVELOPMENT

Research and Development (R & D)

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 specialized applications on existing processes.
4. Expenditure on R & D	Nil
a) Capital	
b) Recurring	
c) Total	
d) Total R & D expenditure as a percentage of total turnover	

Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	Efforts are made to improve cost effective technology for productive and quality improvement.
1. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	The Plastics Division has introduced a number of new products and opened up new areas of business.
2. Information regarding technology imported during the last five years.	Not applicable.

Management discussion and analysis

"Despite the subdued business environment, largely a fallout of the prevailing policy logjam and reduced consumer spending, your Company registered superior all-round growth. This contrarian performance was primarily due to the shock-absorbers built into the business model that facilitated business growth."

Amit Patel – Managing Director, Sintex Industries Limited

FY 2013-14 in numbers (Consolidated)

₹58426 mn	₹10416 mn	₹3647 mn	₹7116 mn
Revenue	EBIDTA	Profit after tax	Net cash flow from operations
17.83 %	6.24 %	10.22 %	5.22 %
EBIDTA margin	Net margin	Return on networth	Return on capital employed
₹35695 mn	₹37403 mn	₹14786 mn	₹69669 mn
Networth	Net block	Net current assets	Capital employed
₹40064 mn	1.12	3.60x	57.51 %
Total debt	Debt-equity ratio	Interest cover	Debt as a proportion of capital employed

Economic overview

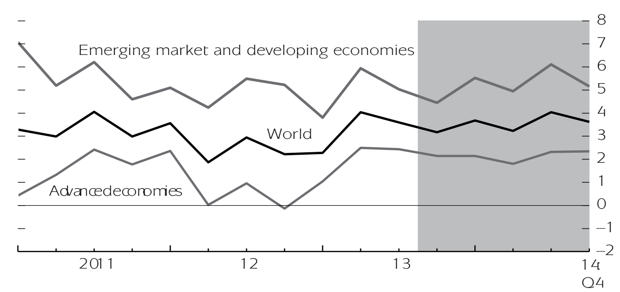
A. Global economy

Global gross domestic product grew by 3% in 2013 against 3.1% in 2011 primarily due to the continuing economic volatility in the first half of the year followed by better conditions in the second half. Demand in advanced economies improved, much of the increase being derived from higher inventory demand. In emerging market economies, an export rebound strengthened the improved showing even as domestic demand remained subdued.

Outlook for the current year: Financial conditions which help to shape the economy's growth performance have improved substantially over the last few months. Positive contributions from the equity markets, interest rate spreads and credit conditions support the economic momentum going forward. Furthermore, easing fiscal drags should give the private sector more breathing room to push the economy forward.

The IMF indicates that emerging markets will account for much of global growth, with their economies forecast to expand nearly four times faster over advanced economies. As far as advanced economies are concerned, the US is expected to emerge as the key growth driver. Eurozone is turning a corner after recovering from recession and is expected to post positive economic growth in 2014. The result is that global growth is projected slightly higher (around 3.7%) in 2014, rising to 3.9% in 2015 *(Source: IMF)*.

Figure 2. Global GDP Growth
(Percent; quarter over quarter, annualized)



source: IMF staff estimates

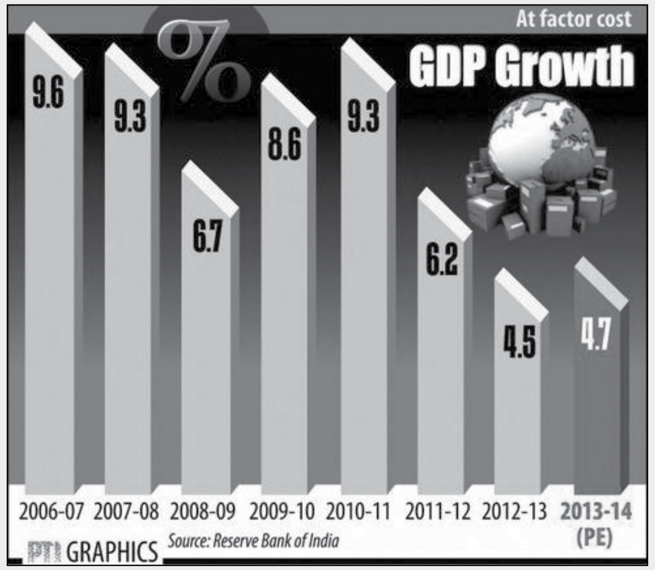
B. Indian economy

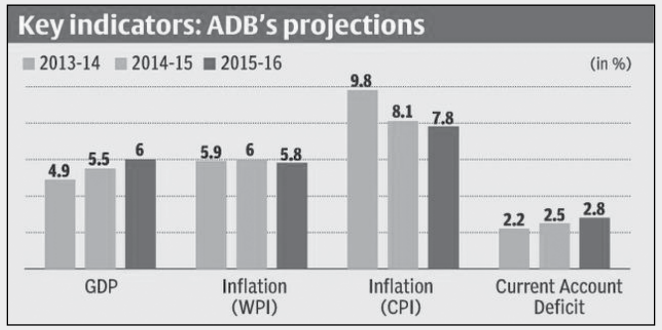
India's economic growth rate in 2013-14 was estimated at 4.9 per cent, faster pace than in the previous year mainly following improved performance in its agriculture and allied sectors. An Economic expansion improved in the second half, given that GDP grew by 4.6 per cent in the April-September period.

For 2013-14, the CSO projected a growth rate of 4.6 per cent in agriculture and allied sectors, up from 1.4 per cent a year earlier. Manufacturing, however, was expected to register a contraction of 0.2% compared to a growth of 1.1 per cent in the previous year. More importantly, CAD, which is the difference between the inflow and outflow of foreign exchange, declined to US$ 32 billion in 2013-14 against US$ 88.2 billion in 2012-13 *(Source: Economic Times)*. This was largely due to a steep decline in gold imports and increase in exports.

Per capita income at current prices during 2013-14 was estimated at ₹74,920 compared with ₹67,839 during 2012-13, a rise of 10.4 per cent.

Estimates: According to the NCAER, India's economic growth is likely to accelerate at 5.6% while Asian Development Bank projected India's GDP growth at 5.5% for 2014-15, depending on its ability to implement structural reforms.



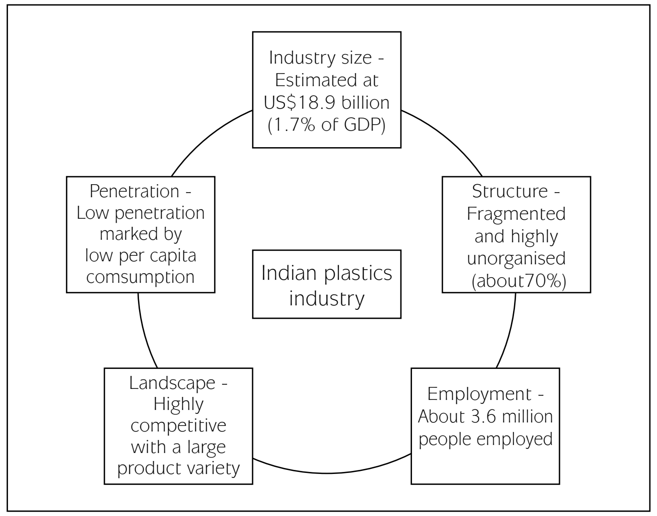


The plastics sector

The Indian plastic industry is making significant contribution to the development and growth of various key sectors in India, mainly automotive, agriculture, construction, electronic, healthcare, textile and FMCG as this sector continues to break into newer spheres of manufacturing enabling products to become lighter, stronger and more cost-effective.

The plastic industry is one of the biggest contributors to India's GDP and is among the fastest growing sectors with annual growth rates averaging between 12%-15%.The growth in plastic consumption is primarily due to the substitution of traditional material with plastic variants, expansion of the middle income group and numerous new applications.

The Indian plastic industry enjoys a pan-India presence. However, is, highly fragmented with more than 25,000 processors in the fray, with less than 100 large processors accounting for 30% share of the industry. The growth of organised players has outpaced that of other players in the sector through constant innovation and niche product launches.



The plastics industry can be classified into (a) manufacturing of polymers, or 'upstream' processes, and (b) conversion of polymers into plastic articles, which is commonly referred to as 'downstream'.

Despite more than 10 technologies prevailing for plastic processing in India, the sector can be largely categorised into three broad segments namely injection moulding, blow moulding and extrusion, catering to the requirements of a wide array of applications like packaging, automobile, consumer durables, healthcare, among others. The processes for conversion of polymers determine the final products.

Process type	Plastic products	Share in consumption (%)
Extrusion	Films and sheets, fibre and filament pipes, conduits and profiles and other miscellaneous applications.	60
Injection moulding	Industrial injection moulding, household injection moulding and thermoware/moulded luggage.	25
Blow moulding	Bottles, containers, toys, and housewares	6
Roto moulding	Large circular tanks such as water tanks	1
Others	Miscellaneous	8

Catching up!

- India's per capita packaging consumption stands at US$15 against the global average of US$100.
- India low per capita vehicle ownership – the passenger car stock of only around 13 per 1000 population – presents a sizeable opportunity for the plastics processing sector.

Outlook

According to the All India Plastic Manufacturer's Association (AIPMA), domestic consumption has been growing at 10-12% CAGR over the last decade. Going ahead, the size of the plastic processing industry – is expected to touch ₹1.3 trillion(18.9 million tonnes) by 2015. The exponential growth will see this number go up to 40,000 units, employment will increase to 7 million by 2015 from the current 3.5 million-plus people (direct and indirect). To achieve this target, India will require 42,000 new machines and an investment estimated at US$ 10 billion by 2015.

PLASTIC INDUSTRY – VISION 2015

	2015
Consumption (million tonnes)	18.9
Per capita consumption (Kilograms)	16
Turnover (Rs.in billion)	1,332
Employment generation (million)	7
Processing machines (units)	125,636

(Source: CIPET)

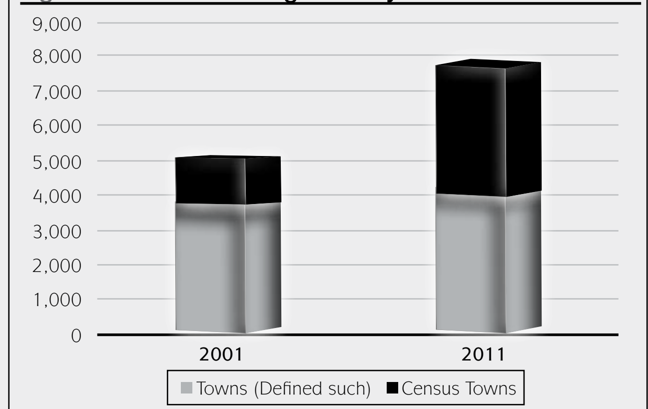
Growth drivers

A. Macroeconomic drivers

- Currently, over 30% of India's population is under 14 years. This combined with a rapidly growing middle class and increasing disposable income is expected to fuel the demand for consumer electronics and vehicles.
- Inadequate mass transportation infrastructure and increasing urbanisation is expected to contribute to higher domestic passenger vehicle sales
- Deeper penetration into Tier-II and Tier-III towns by corporates and convenient access to finance is expected to improve offtake of consumer electronics and vehicles

The number of 'census towns' in 2011 was 3x that of in 2001, translating into a growing appetite for white goods and other plastic durables

Figure 12: **Towns formong naturally**



Source: India Population Census, 2011

B. User-segment opportunities

- The Indian automotive industry is expected to witness high growth in coming years. Passenger vehicle sales are likely to grow at 15% p.a. over the next five years to reach six million in FY 2016.
- India's emergence as a global hub for small cars is an important growth driver for plastic consumption.
- The Indian auto component industry is poised for robust growth with a strong domestic automobile industry and a likely doubling of the India auto components industry; more importantly as fuel prices move northward the propensity of conversion (from steel to plastic) will only accelerate over time.
- Indian consumer electronics market is expected to grow at a robust pace of 15% p.a. over the next few years. Growing disposable incomes increasing affordability and improving accessibility is expected to increase the low penetration rates of consumer electronic products.
- The Indian packaging industry is expected to grow at a rate of 17% p.a. over the next few years with huge potential for increase in per capita consumption of packaging.

C. Niche growth spaces

Plasticulture – The emerging sector in India

Plasticulture applications are one of the most useful indirect economy and agriculture inputs with huge unrealised potential such as:

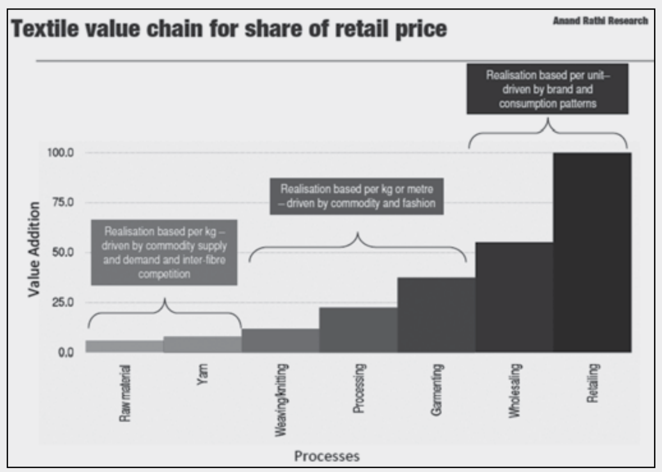
- **Water management:** Lining of canals, ponds and reservoirs with plastic film, drip and sprinkle irrigation system, water conveyance using PVC and HDPE pipes and sub-surface drainage.
- **Nursery management:** Nursery bags, pots, pro-trays, root trainers, coco peats, hanging baskets, plastic trays among others.
- **Surface cover cultivation:** Soil solarisation and plastic mulching
- **Controlled environment agriculture:** Greenhouses, shade net houses, plastic tunnels and plant protection nets.
- **Innovative packing solutions:** Plastic crates, bins, boxes, leno bags, unit packaging nets among others and CAP covers, controlled atmosphere packaging (CAP) and modified atmospheric packaging (MAP).

As plastics are more enduring than traditional materials used for these applications, the demand for these products in plastic variants is expected to increase with growing awareness.

The textile sector

Textile industry plays a significant role in determining the economic development of a country in terms of not just net foreign exchange earnings but also via direct and indirect employment generation. The industry contributes around 4% to the gross domestic product (GDP), around 11% to the country's export earnings and nearly 14% to industrial production, besides providing direct employment to over 45 million people. The textile sector is the second largest provider of employment after agriculture in India.

The industry is self-reliant and inclusive as far as the value chain is concerned - right from availability of raw materials to manufacture of garments. On the global front, the industry is the world's second largest producer of textiles and represents around 4.5% share of the global export turnover.



Supportive regulatory environment

Since the growth and all-round development of the textile industry has a direct bearing on the development of the Indian economy, it has received significant thrust from the Government (Central and State) through favourable policies.

1. **Central Government-driven policies**
   - The Technology Upgradation Fund Scheme (TUFS) has, till FY13, driven investments worth US$100 billion
   - The 12th Five Year Plan envisages investments worth US$28 billion in the textile sector through policy initiatives
   - TUFS has now diverted its focus from the spinning and composite segments to matching investments in weaving and knitting
   - The Integrated Processing Development Scheme (IPDS) armed with investments worth US$79 million would help textile-processing units become more environment-friendly and globally competitive
   - A sum of ₹7 billion has been sidelined as per the 12th Five Year Plan for the development of technical textiles
2. **State Government-driven policies**

   In September 2012, the Gujarat Government unveiled the Gujarat Textile Policy 2012. Titled as 'Navi Gujarat Vastraniti', the policy seeks to attract investment of over ₹20,000 crore as well as creating new employment opportunities for over 2.5 million people (50% of them being rural women) over next five years.

   The new policy will facilitate in enhancing the growth of cotton farmers and ginners, by way of better price realisations and enable them to withstand uncertainties due to price fluctuations, nationally and internationally. New cotton spinning activities to strengthen the value chain have been encourages.

   Incentives for creating spinning and ginning infrastructure:
   - Interest subsidy of 5%, without ceiling for the period of five years on new plant and machinery for ginning and processing
   - Interest subsidy of 7% on new plant and machinery for cotton spinning, as well as for second-hand imported cotton spinning machinery with certain conditions, without ceiling for a period of five years
   - Power tariff concession on new investments for cotton spinning at the rate of ₹1 per unit for a five year period
   - Minimum 150 acre land, stamp duty exemption to developers and units, and assistance up to 50% with maximum ceiling of ₹30 crore for common infrastructure for Cotton Spinning Park with or without weaving.
   - Stamp duty exemption to developers and units in parks, and assistance up to 50% with maximum ceiling of ₹10 crore for common infrastructure in parks and other textiles activities.
   - Refund of Value Added Tax (VAT) paid by cotton-based units like ginning, spinning and weaving on purchase of cotton/cotton yarn and remission of tax collected on cotton yarn (applicable to the extent of investment in plant and machineries)

Performance

In 2013-14, the textile industry registered a heartening performance largely facilitated by stable cotton prices at the start of the fiscal, a depreciated Rupee and improved demand from developed nations especially in the US and Europe. The demand from the domestic market also remained buoyant despite the economic slowdown as the disposable incomes in the hands of the Indian consumer increased.

Cotton: Domestic cotton prices remained stable till February 2013 at about ₹99/kg , well below minimum support prices of ~₹110/kgs in some states (especially Andhra Pradesh), which led to support price operations including purchase of ~2.3 million bales in CY13 by governmental agencies. However, increased domestic cotton demand to meet export demand of yarn and continued cotton exports led to gradual increase in cotton prices to ~₹140/kg by September 2013.

Yarn: The domestic yarn production was been driven by high import duty on cotton in China, whereby Chinese players resorted to the import of cotton yarn. While the domestic demand remained healthy, higher import duty on cotton in China led to a decline in Indian cotton exports. Moreover, the depreciating rupee strengthened business margins for Indian spinners.

The cotton fibre

a) Global scenario

- Global cotton production is expected to outpace the consumption for the fourth consecutive year in CY2014, despite an expected decline in cotton production by ~2.5% for CY2014, the closing stock levels are estimated to reach all time high levels of ~121 million bales by the end of July 2014.
- The world cotton consumption is estimated to have grown by 4% for the International Cotton Year (CY) ended July 2013 to ~136.8 million bales (of 170 kgs) and is further expected to grow by ~2% in CY2014. However, despite two consecutive years of increase in estimated cotton consumption, it continues to remain below the peak levels of ~155 million bales witnessed in CY2007 and CY2008 and the recent peak consumption of 151.3 million bales in CY2010.
- The global cotton stock levels reached all-time highs of ~80% of the annual consumption (estimated closing stock as on July 2013 is ~109.6 million bales). This is estimated to increase further to 120.8 million bales by end of July 2014 and will be equivalent to ~ 86% of the estimated global cotton consumption for the international cotton year ending July 2014.
- Amid the high global stock levels, the international cotton prices have remained range-bound at US$1.8~2.1/Kg over the last 24 months with an average of ~US$2/kgs, however with high stock position, the prices remain vulnerable to risks.
- As per the trade data of major cotton producing and consuming countries, China accounted for ~45% of global trade during CY13 (down from 54% in CY12) as it houses ~46% of world's spinning capacities against its 29% share in global cotton production.
- Despite being the largest cotton consumer and importer, China witnessed a steady decline in its cotton consumption from the peak of 64 million bales in CY 10 to 46 million bales in CY13, owing to high cotton prices.
- The average cotton price in China is higher at ~US$3/kg than the international price of US$2/kg, which in-turn is supported by the high support prices offered by the Chinese government to its farmers to incentivise cotton production; and to maintain a price-parity vis a vis imports. China has also levied an import duty (peak of 40%) to curb cheaper imports.

Million bales of 170 kgs	Jul-06	Jul-07	Jul-08	Jul-09	Jul-10	Jul-11	Jul-12	Jul-13	Jul-14E
Opening stock	77.6	79.1	80.5	79.3	78.8	59.8	63.3	91.2	109.6
Production	149.0	156.5	153.2	137.4	130.8	149.0	160.3	154.9	151.1
Trade: (Import/Export)	57.4	48.0	50.4	39.2	46.9	46.0	57.7	60.1	49.0
Consumption	147.4	156.1	154.9	138.3	151.3	146.0	131.4	136.8	139.9
Closing Stock	79.1	80.5	79.3	78.8	59.8	63.3	91.2	109.6	120.8
Stock to use ratio	54%	52%	51%	57%	39%	43%	69%	80%	86%

Source: ICRA Estimates, Industry data, ICAC, USDA

a) Indian scenario

- The domestic demand for cotton is estimated to increase significantly for the Indian Cotton Year (CY) ending September 2013, mainly driven by an increase in mill demand which is reflected in the 13% increase in yarn production on year-on-year basis for the 10 month period of CY2013 ending July 2013.

- The overall cotton exports, including the cotton equivalent of yarn exports are estimated to remain almost flat at ~19.5 million cotton bales, thereby leading to two consecutive years i.e. CY12 and CY13 of high exports in cotton equivalent terms, which stood at over 50% of the production.
- As per the sowing data from the Ministry of Agriculture, Government of India, the cotton sowing areas for CY14 in most of the cotton producing states have reached ~99% of the area under cotton sowing during CY13. The overall area under cotton sowing stood at 11.45 million hectares as of the end of September 2013 as against 11.61 million hectares in CY13. This, coupled with timely and good monsoons is expected to result in higher productivity (kg/hectare) and hence an expectation of higher cotton production.
- The domestic cotton scenario is expected to remain tight, which is in contrast to the global picture of surpluses. Domestic stock levels are expected to remain tight, which in turn is driven by two consecutive years of high cotton equivalent exports. This consequently should increase cotton prices going forward.

Optimism

The Indian textile and apparel industry is said to be at an inflection point – growth from this point onwards is expected to be exponential.

The Ministry of Textiles states that India's textile exports could reach US$60 billion in 2014-15 as it seeks to encash on the increased demand from the developed nations and its traditional partners in the international market.

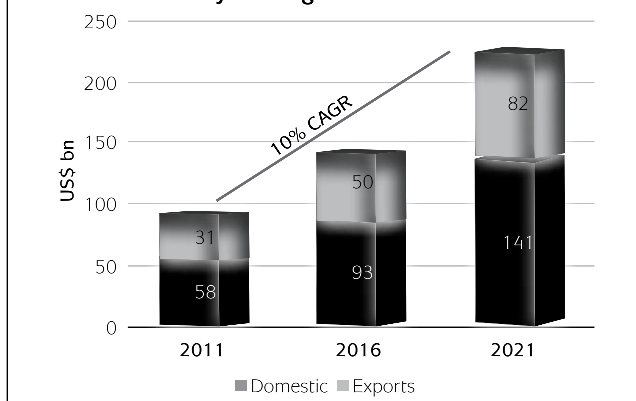
Technical textiles are an important part of the overall textile sector in India. Not only has it grown at an annual rate of 11 per cent during 2006-11, but is also estimated to expand at a rate of 20 per cent to reach US$36 billion by 2016-17.

On a longer term perspective, the Indian textile and apparel sector is expected to reach a market size of US$ 220 billion by 2020 with an annual growth rate of 11%. Meanwhile, in a recent report released by the Federation of Indian Chamber of Commerce and Industry (FICCI), India's textile exports are expected to rise from US$21 billion annually in 2012 to US$145.6 billion by 2023.

India has the capacity to improve its textile and apparel share in the world trade from the current 4.5% to 8% and reach US$80 billion by 2020.

Owing to the strong growth drivers, the government has projected 20% y-o-y growth to US$36 billion by 2016-17 in the 12th Five Year Plan.

India TAC industry set to grow



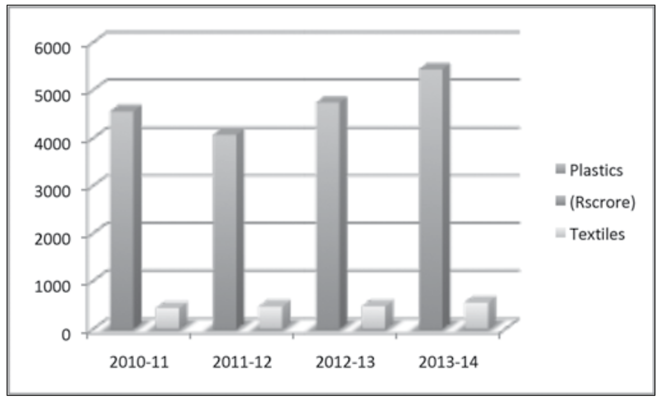
Source: Ministry of Textile

The business

Originally a textile manufacturer, Sintex has transformed itself into a business 'Superbrand' is a plastic processing MNC with operations in 32 manufacturing locations and 11 nations across four continents – its textile business specialising in niche, high-value, men's structured fabrics for global fashion brands.

The Company has divided its business into segments namely textiles, plastics and infrastructure business.

Revenue build-up (Consolidated)



1. **Plastics business and Infrastructure business**

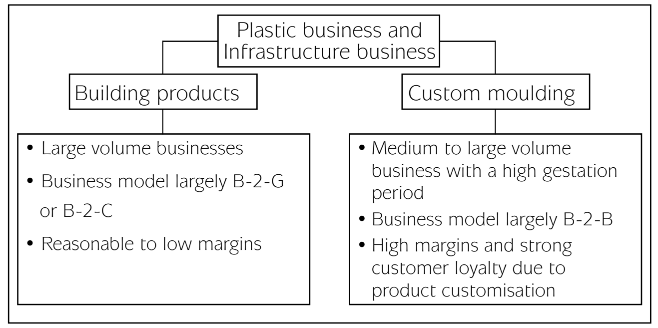
   Sintex is recognised as a pioneer in plastic processing by creating unique solutions that extended the frontiers of plastic application.

   The Company offers a huge bouquet of products -- from creating housing units to small components that find application in the medical equipment and electrical businesses -- processed at its facilities across India – emerging as the only plastic processing Company with a pan-India manufacturing presence.

Revenue from this business grew by 14.88% from ₹4,729.43 crore in 2012-13 to ₹5433.19 crore in 2013-14 despite the continued endeavour to gain business exposure in the monolithic construction space, due to prevailing external adversities. This segment contributed 90.87% of the Company's consolidated revenues. EBIDTA moved to ₹912.40 crore in 2013-14 against ₹665.95 crores in 2012-13. Input cost prices and inflation pressured] EBIDTA margins of this business.

The prefab business retained its star performer status, registering the maximum growth and cushioned the vacuum due to throttled exposure in the monolithic space.

The Company has further divided its plastic business into two major verticals namely building products and custom moulding based on the business characteristics and customer profile. This has facilitated focused efforts in growing each segment individually.



Strategic business development 2013-14

- Strengthened the retail business for various product verticals by utilising synergies within product verticals
- Discontinued non-viable product lines (pipe manufacturing, electrical contracting business and fabricated window business) to focus on core competencies
- Optimised manufacturing operations to align with market realities and improve capacity utilisation
- Commissioned blow moulding operations across facilities and ensured maximum utilisation of blow moulding facilities for new range of Renotuf water tanks
- Working closely with Wasaukee for leveraging its business relations for Indian operations

A) **Building products**

This business vertical comprises of products that find application in residential, commercial and industrial structures, and comprised of the following sub-verticals:

- Prefabricated structures
- Monolithic concrete construction (MCC)
- Water storage tanks
- Plastic sections
- Sub-ground structures and waste management solutions
- Environment products

i) **Prefabricated structures**

As the name suggests, these are completely-knocked-down plastic kits for enclosures (large and small), which can be assembled in six or seven days – making it the fastest and most cost-effective construction solution.

India's rapid economic growth over the last decade has magnified the need for superior construction technologies over the brick-and-mortar system – especially for strengthening social infrastructure (classrooms, health centres, sanitation amenities, community centres)in rural India with speed as these basic amenities were largely overlooked during India's economic resurgence.

The Government has endeavoured to provide these facilities to the rural masses through its various programmes -- Sarva Shiksha Abhiyan, National Rural Health Mission (NRHM), Mid-Day Meal programme, to name a few– creating robust demand for fast and cost-effective construction technologies.

- The Company has bagged prestigious orders for providing primary health centres and dispensaries under the NRHM programme in Madhya Pradesh and West Bengal,among others, which are under various stage of execution.
- The Company is already executing an order for constructing 38,000 Mid-Day Meal kitchens in every village of Maharashtra. A large project management team is meticulous following the detailed project management plan for timely site and project delivery The speed and quality of execution has received recognition from the Central Government which could generate other such opportunities.
- The Company received a prestigious project from the Gujarat Government to create facilities namely schools, hospitals and other infrastructure for upliftment of tribal people. This project has also received heartening recognition from various governmental agencies.
- The Company is working on creating Central Universities through the prefabricated route in Jharkhand and Bihar.
- The Company has initiated the creation of Agri-sheds and warehouses along with silos through the prefabricated route in several states which is likely to generate an interesting response over the medium term.

Sintex-a reliable partner

The Company enjoys important competitive advantages which positions it as one of the preferred providers for prefabricated solutions.

- A multi -plant manufacturing presence (allows faster execution and optimised logistics cost).
- A product mix comprising medium and small structures enables it to cater to diverse demand
- In-house availability of majority of the inputs namely the sandwich panels, doors and windows improves speed from order acceptance to final delivery.
- A wide opportunity canvass comprising product approvals in many states.
- Successful execution of multi-faceted projects which has armed the Company with terrain knowledge and expertise in project management.

Sandwich panels: Polyurethene sandwich panels has gained increases acceptance as a modern building material as opposed to the traditional route of brick and mortar construction.

The Company's sandwich panels come in varying thickness (20mm-150mm) with different structural designs and colours (the external sheets being pre-painted colour-coated Galvalume sheets) and is generating a very good response.

Light-weight and excellent insulation properties have positioned sandwich panels as the preferred construction material in India (especially in the high temperature zones) and the product is finding use in diverse applications.

Cold chain network: The cold chain programme being accelerated by the Government through attractive subsidies is generating significant interest in this product. The Company's strategy of positioning this product as the preferred building material for cold storage infrastructure mushrooming pan-India has generated sizeable volumes in 2013-14.

Industrial buildings: For large industrial buildings being made through PEB route, builders have shown an increasing preference for sandwich panels as walling and roofing element due to its light weight and insulation properties which make the structure energy efficient and provide better comfort for its occupants. The product has also been accepted for meeting Green Building norms which is adding to its acceptability.

In 2013-14, the Company has supplied large volumes of sandwich panels to PEB players. It has also provided large volumes of material in railways and power projects, among others.

Besides, the Company is working on establishing a retail business for this product through dedicated fabricators and franchisees to stock material and convert these walling and roofing elements into useful structures such as house extension, sheds, rooftop house, Prefab etc. It has achieved commendable success in this endeavour.

ii) Monolithic construction

Due to challenging times and policy paralysis, several important decisions pertaining to low-cost housing and funds sanction for these projects were put on the back burner. It has resulted in a sectoral slowdown.

The Company enjoys a strong order book position due to its novel technology and demonstrated expertise in project management.

- It has a significant presence in Uttar Pradesh with several projects and multiple sites under execution.
- In Delhi, the Company has bagged a large project through DUSIB, DSIIDC and is constructing more than 7,600 units at one single site which upon completion (in 2014-15) will emerge as the single largest development project.
- Construction activities in other projects in Pondicherry and Gujarat are also in full swing.

Due to a number of projects in at various stages of execution, the Company did not initiate any projects during the year. Besides, the Company is cherry-picking orders based on important parameters that ensure smooth and speedy completion – namely regulatory clearances and fund allocation. Additionally, the Company has strategised to restrict its geographic spread to ensure fastest project execution.

The Company started moving up the value chain with a focus on EWS, MIG and HIG housing. It has developed execution capabilities for construction of G+13 structures using this technology (earlier focused on G+3). Most of the new projects are now founded on Multi-storeyed construction.

iii) Water storage tanks

Having changed the way the average Indian stores water for household consumption, the Sintex brand has become synonymous with water storage tanks. Despite having pioneered the concept of plastic water storage tanks more than 35 years ago, the Company commands leadership and premier position in the water tanks market with a major market share.

The huge product range comprising water tanks for every conceivable application - loft tanks in individual apartments to water storage solutions for a pin code and underground storage tanks in various sizes– position it as a preferred name in this business.

The Company's most recent innovation, the white triple wall water tanks has received an overwhelming response from the average Indian for its superior life, functionalities and aesthetics and is fetching a premium over competing variants.

To cater to the demand of water tanks at the lower end of the spectrum, the Company launched 'Renotuf' – tanks manufactured using blow moulding technology (high-speed productivity) which provides `value for money' unbreakable tanks. These tanks are generating sizeable volumes pan-India.

The Company's underground water storage tanks received good response from the market; it is working aggressively to develop a strong market for this product vertical.

iv) Interiors and readymade doors

Extruded plastic sections, used in household/office interiors, are positioned as an environment-friendly replacement of timber, aluminium among others. Its USP's namely low-cost maintenance, rust-proof, termite-proof, water-proof, lightweight and easy-to-install positions it as a preferred interior décor material. In recent years, the Company strengthened the visibility of this product by following initiatives:

- Launched and marketed several new sections and shades in line with the market demand
- Launched superior grade quality of panelling material that closely resembles timber which has received heartening customer acceptance
- Launched D-I-Y (do it yourself) products. The Company also arranged several workshops through carpenters to familiarise them with installation of plastic sections.

The Company also embarked on promoting `readymade doors' such as factory made doors to build its `readymade' products portfolio. In 2013-14, the Company launched factory made doors under the `Indiana' brand which has been well received by the market. Toilet and bathroom doors are also moving very well in the market. The Company is very aggressively pursuing clients to build up the portfolio of doors.

v) Sub-ground structures

Sub-ground structures represent a new focus area for the Company which comprise solutions that provide drainage and water treatment solutions. Growing urbanisation and mushrooming of new towns pan-India has created a huge scarcity of drainage and water treatment solutions estimated at 75-80% - hence these areas are high on the government's priority list.

The Company's product basket comprises septic tanks, packaged treatment solutions, biogas holders and manhole structures and covers.

Septic tanks: Expanding city limits has increased the liquid waste load which can scarcely be managed by outdated and inadequate drainage solutions pan-India. The Company's developed underground septic tanks for storage of liquid waste (for about 50-500 people) – an extension of its robust water storage tanks business. Its space-saving USP has enabled the Company secure approvals from numerous municipalities and other government agencies. In 2013-14, the Company marketed sizeable volume of these tanks in urban locations.

Packaged waste water treatment solution: The Company has developed the decentralised packaged waste water treatment solutions in collaboration with Aqua Nishihara (Japan), global leaders in waste water management and treatment. This unique solution reduces BOD levels by 75-95% depending on the product. In 2013-14, the Company successfully installed a number of these solutions in urban areas. Moreover, the Company created a retail presence for this solution – it designed a solution for managing liquid waste loads between 1,000-6,000 litres which is being marketed by a specialised retail network and has gained significant traction.

Biogas units: The Company pioneered the portable, prefabricated and moulded biogas plants in India – a unique solution perfectly suiting Indian villages which are bereft of basic utilities (primarily electricity). The excreted waste of cows is converted into energy and the treated waste can be used as a fertiliser in the fields. Additionally, this solution makes the neighbourhood more sanitised.

The product received clearances from Central and State Governments as it provided energy to rural areas – a top government priority. During the year, the Company marketed good volumes across Gujarat, Maharashtra, Karnataka, Tripura and Kerala.

vi) Environment products

The Company is aggressively promoting a new range of `Euroline' dustbins and containers with international looks and finish. It received an overwhelming response from several markets particularly in Eastern India. These are expected to gain acceptance across the country as solid waste management programmes are being implemented at an accelerated pace by various municipalities.

B) Custom moulding

As the name suggests, this business segment comprise products customised for specialised applications. As a result, the product development cycle for this business segment is long (especially for customer-specific products), but provide long-term revenue visibility and high margins once they receive the seal of approval. The Company has divided its custom moulding business into two important sub-verticals –products customised to applications and products customised to customer specifications – for focused business development and sustained growth.

i) Products customised to applications

The products customised to application are SMC products, industrial containers, pallets, FRP tanks and insulated boxes.

a) SMC products

This business vertical comprises of products that address the burning power theft issue in the last mile energy distribution in the Indian power distribution space.

SMC as a material has good electrical insulation properties, no resale value – hence is positioned as the preferred replacement to cast iron, aluminium, sheet metal among others; enclosures big and small area is now being made of SMC.

Over the years, the Company has developed manufacturing expertise in this vertical leveraging multiple technologies namely SMC pultrusion, chop hoop winding, RTM, hand layer, among others.

The Company specialises in tamper-proof enclosures of different sizes for housing various meters and equipment. It has secured product approvals from across India under the Electrical Reform Programme initiated by the Central Government. And successfully starch deals with Electricity Boards in multiple states – Gujarat, Rajasthan, Uttar Pradesh, Karnataka and Andhra Pradesh, to name a few.

In recent years, the Company focused on larger enclosures, distribution boxes, pillar boxes, service connection boxes among others, with special built-in features with considerable success – in 2013-14, the Company sold considerable volumes of these enclosures.

The Company is actively pursuing retail business for electrical products of smaller sizes such as junction boxes, pole connections, smaller meter boxes, sheets, angles and other variety of products made out of the composite. The Company successfully established a retail footprint in major markets and will aggressively pursue to scale its retail business. Moreover, the Company is also working on increasing its business relations with the OE segment by creating products to suit OE applications.

b) Industrial containers and FRP tanks

Industrial containers: The Company manufactures large industrial tanks to store dyes, colours and chemicals in multiple sizes to suit diverse industrial uses. Rising industrialisation and increasing thrust towards a safe working environment has accelerated the demand for these products. In 2013-14, the Company introduced large sized roto-moulded tanks (1,000 litres and above) especially targeting the chemicals and textiles sector for material storage.

FRP tanks: The Company introduced high-strength, non-corrosive and non-reactive storage tanks especially to store fuel in dispensing stations – as a replacement to RCC and steel tanks which, over time, get corroded resulting in soil contamination. The Company's products were approved by HPCL and BPCL for installation at all new dispensing stations pan-India – a huge opportunity over the coming years. The Company successfully marketed this underground storage solution to large malls and commercial complexes for storage purposes (generator fuel, fire fighting, water, sewerage, among others). In 2013-14, the Company successfully completed more than 80 installations; it also secured approvals from IOCL and is negotiating with other oil marketing companies.

c) Plastic pallets

While industrial output has scaled, so has the distance grown between manufacturing and consuming resulting in greater reliance on the hub-and-spoke distribution model for a pan-India presence. This has increased the need for superior material handling systems and increased the demand for pallets.

The Company manufactures light-weight, cost-effective and customised plastic pallets, catering to various industries like pharmaceuticals, automotive, electrical, engineering, textiles, fisheries, logistics and warehousing, among others.

In 2013-14, the Company segregated its product repository into different segments for focused marketing – its philosophy being the right product,for the right sector and the most-cost efficient manner and sector:

- Pharma pallets: Uniformly moulded pallets, these products have no welds or joints and meet the globally-accepted GMP.
- Dynamic pallets: These products are customised for racking and packing.
- Export pallets: These are specially designed light pallets for exports (6 kg compared with 25 kg traditional ones).
- Poly pallets: These pallets are for non-pharma industry applications.

This strategy worked reasonably well as pallet offtake increased significantly.

d) Insulated boxes

The Company has a large repository of insulated boxes which were primarily exported to Australia. Recently, the Company realigned its marketing strategy. It positioned insulated boxes as part of its cold chain management solution – a sector high on government priority. This allows the Company to promote insulated boxes through governmental programmes.

In the year 2013-14, the Company undertook important initiatives which is expected to create the foundation for increased product offtake in coming years:

- Received approvals from the Marine Product Export Development Authority which will help market its boxes to all seafood exporters.
- Strengthened the visibility of the boxes in Tier-II and Tier-III towns and rural areas facing acute electricity shortage to store perishable commodities.
- Marketed the boxes to governmental agencies for their vaccination programmes.
- Initiated marketing of boxes to fishermen an India's eastern coast.

The Company also remodelled the boxes to match specific customer requirements. Besides, it widened its export presence to de-risk against dependence on a single geography. Besides, the insulated box business with large corporate namely global beverage and icecream manufacturers sustained its pace.

ii) Products customised to applications

The products customised to client specifications are largely components for off-the-road vehicles and non-automotive applications.

a) Custom moulding for OEMs

The Company develops customised products for some its globally-respected corporates. The Company's performance was impacted by labour unrest and strikes at guidelines operating units of some customers.

The Company's product basket includes:

- Fuel tanks and mud guards to M&M, AMW, Ashok Leyland and Escorts – off-the-road vehicles.
- Fuel tanks for generator set manufacturers namely Kirloskar and Cummins.
- Packaging crates for the engineering sector, primarily some of the Tata Group companies.
- Enclosures to leading corporates in the electrical sector.
- Starter panel boxes for pumps and motors for the agricultural industry.
- Fertiliser and pesticide drums.
- Components for the cooling tower sector.

2. Textile business

Sintex is a leading continuous fabric processing textile manufacturer in India. The fibre-to-fabric (composite mill) facility at Kalol (Gujarat) houses contemporary technologies and is among the largest fleet of contemporary shuttle-less looms (air jet and rapier machines with dobbies and jacquard) capable of manufacturing fabrics from 80 GSM to 550 GSM. It is one of the most reputed corduroy mills in India.

It manufactures high-end yarn dyed structured fabrics for men's shirting, yarn dyed corduroy, ultima cotton yarn-based corduroy and fabrics for ladies wear. This business is a value-driven, margin accretive business which contributes only about 10% to the Company's topline -- its contribution to the Company's profitability is more pronounced.

The unit weaves some of the finest fabrics for global clients under the BVM brand, focusing on value-addition (high-end structured yarn-dyed fabrics, yarn-dyed corduroy, Ultima cotton yarn-based corduroy and sophisticated home furnishings).

The Company's reputed fashion clients comprise Armani, Diesel, Hugo Boss, Burberry, DKNY, Zara, Mexx, Massimo Dutti, Royal Mint, Canali, Tommy Hilfiger, Versace, Oliver, Max Europe, Banana Republic, Marks & Spencer IKEA, H & M, Ann Taylor, Colour Plus, Pepe Jeans and Nike. Its reputed Indian customers comprise Arrow, ITC Wills Lifestyle, Allen Solly, Zodiac, Van Heusen, Reid & Taylor and Louis Philippe.

Despite the persisting economic slowdown in Europe, a large textile market for the Company, the textile division reported a strong growth – revenue grew by 15.72% from ₹471.71 crore in 2012-13 to ₹545.86 crore in 2013-14. This was primarily due to a strong uptick in demand from the domestic market and a significant increase in ready-to-stitch fabrics marketed through its retail distribution network.

Key developments, 2013-14

- Modernised the spinning and weaving equipment with technologically superior equipment sourced from the global leaders in textile machinery – it improved product quality, reduced manpower requirement and enhanced production capacity.
- Enhanced the flexibility of the processing section by establishing a prudent balance between large and small vessels for dyeing operations.
- Enhanced the presence in the domestic market (business with big brands and through the retail distribution network) which filled the gap resulting from the subdued demand from the global market.
- Launched high-value fabrics for the metros and Tier-I cities through its retail distribution chain which strengthened demand and cemented a strong recall among customers.
- Strengthened the distribution network which stood at about 150 distributors as on March 31, 2014.
- Launched new products namely 2 Ply Ghiza mixing, linen and lycras (more in bottoms)
- Entered into a collaboration with Ricardo Rami Studio, Milan for facilitating in creating a design collection and marketing the same to global fashion labels – this should strengthen the Company's global presence over the coming years.

The spinning project

The Company has planned for a 1 million spindle capacity mill to be set up in a phased manner over the next five years. In the first phase the Company expects to commission 319,872 spindles by April, 2016. Civil work at the site has commenced, technology study completed and equipment finalisation is under progress. This project will enjoy the benefits stated in the Gujarat Textile Policy 2012.

Risk management

Sintex's risk alleviating initiatives results from its detailed risk management framework comprising prudent norms, structured reporting and control. The risk management approach complies with the Company's strategic direction, in line with shareholders' desired returns, the Company's credit ratings and its risk appetite. A combination of centrally-issued policies and divisionally-evolved procedures brings robustness to the process of ensuring business risks being effectively addressed.

Human resources

Sintex's organisational culture fosters continuous learning, with result-oriented meritocracy. During 2013-14, the Company's employee strength reached 3,703 people. The management engages in imparting functional and attitudinal training to employees to improve productivity; a regular recruitment process along with an unbiased performance appraisal system and an in-built feedback system was initiated. During the year under review, the Company formulated a compensation structure to provide members with tangible and intangible benefits.

Internal controls and audit

At Sintex, stringent internal control systems and procedures facilitated optimal resource utilisation by keeping a check on unauthorised use of products. The Company's regular checks at every stage of its production and dispatch cycle ensured strict operational and quality compliance. An Audit Committee, headed by a Non-Executive Independent Director, reviewed audit observations periodically.

Report On Corporate Governance

Company's philosophy on Corporate Governance:

Your Company has always practiced Corporate Governance of the highest standard and follows a culture that is built on core values and ethics. Your Company is committed to the adoption of best Corporate Governance practices and its adherence in the true spirit, at all times. The Companies Act, 2013 is designed to implement good governance for the Companies.

The Company believes that good governance goes beyond working results and financial propriety and is pre-requisite or attainment of excellent performance.

The Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, the details of which are given below:

I. BOARD OF DIRECTORS:

- **Composition:**

During the year under consideration, the Board comprises of 11 Directors drawn from diverse fields/professions. The Board has optimum combination of Executive and Non-executive Directors, which is in conformity with Clause 49 of the Listing Agreement. The Chairman of the Board is Promoter Non-executive Director. All the Directors are liable to retire by rotation during the year under review.

The Company has 8 Non-executive Directors out of which 6 are Independent Directors. There are three directors in whole time employment, being the Managing Directors of the Company.

The necessary disclosure regarding Committee positions have been made by all the Directors. None of the Directors on the Board is a Member of more than 10 committees(2) and Chairman of more than 5 committees(2) across all companies in which they are directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanship / Membership held by them in other Companies are given herein below:

Sr. No	Name of the Director	Category(1)	Board Meetings during the FY 2013-14		Attendance at the last AGM & EGM AGM held on 30.09.2013	No. of Directships in other Public Companies	No. of committee position held in other Public Companies (2)	
			Held	Attended			Chairman	Member
1.	Dinesh B. Patel, Chairman	Promoter & N.E.D.	4	4	Yes	1	–	–
2.	Arun P. Patel, Vice Chairman	Promoter & N.E.D.	4	4	Yes	1	–	1
3.	Ramnikbhai H. Ambani	I & N.E.D.	4	3	Yes	2	1	–
4.	Ashwin Lalbhai Shah	I & N.E.D.	4	4	Yes	–	–	–
5.	Indira J. Parikh	I & N.E.D.	4	2	No	4	–	–
6.	Dr. Rajesh B. Parikh	I & N.E.D.	4	3	No	–	–	–
7.	Dr. Lavkumar Kantilal	I & N.E.D.	4	3	Yes	–	–	–
8.	Dr. Narendra Kumar Bansal	I & N.E.D.	4	4	No	–	–	–
9.	Rahul A. Patel, Managing Director (Group)	Promoter & E.D.	4	4	Yes	2	–	–
10.	Amit D. Patel, Managing Director (Group)	Promoter & E.D.	4	4	Yes	4	1	–
11.	S. B. Dangayach, Managing Director	E.D.	4	3	Yes	3	–	–

Notes:

(1) Category:
I & N.E.D. – Independent and Non-executive Director
N.E.D. – Non-executive Director
E.D. – Executive Director

(2) Includes only Audit Committee and Investor Grievance Committee of public limited companies.

- **Board Meetings:**

  Four Board Meetings were held during the year under review and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held during the Financial Year and attendance on the same are as follows:

Sr. No.	Date	Board Strength	No. of Directors present
1	7th May, 2013	11	9
2	12th July, 2013	11	10
3	15th October, 2013	11	9
4	30th January, 2014	11	10

II. AUDIT COMMITTEE:

(i) Composition

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges read with Section 292A of the Companies Act, 1956. The Chairman of the audit Committee is a Non-executive and Independent Director. The present composition of the Audit Committee and particulars of meetings attended by them are given below:

Name of Audit Committee Member	Chairman/ Member	Category	No. of Meetings during FY 2013-14	
			Held	Attended
Ashwin Lalbhai Shah	Chairman	I & N.E.D.	4	4
Dr. Rajesh B. Parikh	Member	I & N.E.D.	4	3
Amit D. Patel	Member	Promoter & E.D.	4	4
Indira J. Parikh	Member	I & N.E.D.	4	2

During the Financial Year 2013-14, 4 Meetings were held on 7th May, 2013; 12th July, 2013; 15th October, 2013 and 30th January, 2014.

The Heads of Accounts, Finance, Internal Auditor, Statutory Auditor and Cost Auditors are permanent invitees to the Meetings.

The Company Secretary acts as the Secretary to the Committee.

(ii) Terms of reference:

The terms of reference of the Audit Committee as approved by Board of Directors broadly are as under:

(a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

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

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

- Matters required 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/Matter of emphasis in draft auditors' 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.

(d) 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.

(e) Reviewing, with the management, performance of external and internal auditors and the adequacy of internal control systems.

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

(g) Reviewing with management, Management Discussion and Analysis of financial condition and results of operation.

(h) Discussions with internal auditors any significant findings and follow up thereon.

(i) 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.

III. REMUNERATION COMMITTEE:

(i) Composition:

During the financial year 2013-14, a meeting of the Remuneration Committee was held on 7th May, 2013. The composition of the Committee and the details of meeting attended by the members of the Committee are given below:

Name of Remuneration Committee Members	Chairman/ Member	Category	No. of Meetings Attended
Ashwin Lalbhai Shah	Chairman	I & N.E.D.	1
Ramnikbhai H. Ambani	Member	I & N.E.D.	1
Indira J. Parikh	Member	I & N.E.D.	1

(ii) Term of Reference:

The broad terms of reference of Remuneration Committee are as under:

(a) To determine and recommend to the Board the remuneration packages of the Managing Directors/Whole Time Directors/Manager.

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

(c) To appraise the performance of the Managing Directors/ Whole Time Directors.

(d) Such other matters as the Board may from time to time request the remuneration committee to examine and recommend/approve.

(iii) The Company Secretary acts as the Secretary to the Committee.

(iv) Remuneration Policy:

- **Remuneration to Non Executive Directors:**

The Non-Executive Directors of the Company are being paid an amount of ₹10,000/- as sitting fees for attending each meeting of Board and committee(s) thereof. Mr. Dinesh B. Patel and Mr. Arun P. Patel, the Non-Executive Directors were paid the sitting fee w.e.f. 30th January 2014. Executives Directors are not being paid sitting fees for attending meetings of the Board of Directors/Committees. Other than sitting fees, there were no material pecuniary relationships or transactions by the Company with the Non-Executive and Independent Directors of the Company.

The details of sitting fees paid to the Non-Executive and their shareholding details for the financial year 2013-14 are as follows:

Name	Sitting Fees paid during FY 2013-14 (in ₹)		Total (In ₹)	No. of Shares held as on 31st March, 2014
	Board Meeting	Committee Meeting		
Dinesh B Patel	10,000	–	10,000	247860
Arun P Patel	10,000	–	10,000	327710
Ramnikbhai H. Ambani	30,000	10,000	40,000	Nil
Ashwin Lalbhai Shah	40,000	1,00,000	1,40,000	Nil
Indira J. Parikh	20,000	30,000	50,000	Nil
Dr. N. K. Bansal	40,000	–	40,000	Nil
Dr. Rajesh B. Parikh	30,000	30,000	60,000	100
Dr. Lavkumar Kantilal Shah	30,000	10,000	40,000	Nil

- **Remuneration to Executive Directors:**

The Company pays remuneration to its Executive Directors by way of salary, perquisites and allowances (a fixed component) and commission (a variable component) in accordance with provision of the Schedule XIII read with other provisions of the Companies Act, 1956, as approved by the Members.

The Board on the recommendation 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 the Remuneration paid to Managing Directors for the year ended on 31st March, 2014:

Name of the Director	Designation	Salary	Perquisites	Commission	Total
Rahul A. Patel	Managing Director (Group)	7,809,677	7,515,428	30,000,000	45,325,105
Amit D. Patel	Managing Director (Group)	7,809,677	8,037,215	30,000,000	45,846,892
S.B. Dangayach	Managing Director	5,400,000	5,657,149	7,500,000	18,557,149

(v) ESOP Scheme:

No Stock Options were granted or exercised by any Employee of the Company during the year 2013-14.

Mr. Dinesh Patel, Chairman, Mr. Arun Patel, Vice Chairman and Mr. Rahul Patel and Mr. Amit Patel, Managing Directors (Group) being the promoters of the Company have not been granted any stock options in terms of the provisions under the SEBI Guidelines/Regulations.

(vi) Service contract, severance fees and notice period

The appointment of the Managing Directors are governed by the Articles of Association of the Company and the Resolution passed by the Board of Directors and the Shareholders of the Company.

No separate Service Contract is entered into by the Company with the Managing Directors.

There is no separate provision for payment of severance fee under the resolutions governing the appointment of 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 Managing Directors are for a period of five years.

IV. SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE:

(i) In order to ensure quick redressal of the complaints of the Investors such as transfer of shares, non receipt of dividend/notices/annual report etc., your Company has in due compliance with Clause 49 of the Listing Agreement constituted "Shareholders' / Investors' Grievance Committee" of Directors.

(ii) During the year 2013-14, four meetings of "Shareholders' / Investors' Grievance Committee" were held on 7th May, 2013; 12th July, 2013; 15th October, 2013 and 30th January, 2014. The Composition of "Shareholders' / Investors' Grievance Committee" and the details of the meetings attended by its members are as follows:

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	Promoter & E.D.	4
Amit D. Patel	Member	Promoter & E.D.	4

(iii) Details of Share Holders' Complaints received and redressed during the year 2013-14:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	17	17	0

(iv) Investors' Grievance Redressal Cell:

The Company has designated Mr. Hitesh T. Mehta, 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 .

V. SHARE AND DEBENTURE TRANSFER COMMITTEE:

The Board of Directors has delegated the power of approving transfer/transmission of shares/dematerialization / rematerialisation of shares and debentures/issue of duplicate certificates and other related formalities to the Share and Debenture Transfer Committee comprising of Mr. Dinesh B. Patel, Chairman and Mr. Arun P. Patel, as member of the Committee. Mr. Hitesh T. Mehta, Company Secretary acts as the Secretary of the Committee.

36 Meetings of the said Committee were held during the Financial Year 2013-14.

VI. GENERAL BODY MEETINGS:

F.Y.	Meeting and Venue	Day, Date and Time	Special Resolutions Passed
2010-11	80th Annual General Meeting At Registered office: Kalol (N.G.) 382721	Monday 12th September, 2011 10.30 a.m.	i. Approving alteration in the Articles of Association of the Company
2011-12	81st Annual General Meeting At Registered office: Kalol (N.G.) 382721	Monday 17th September, 2012 10.30 a.m.	i. Approving Resolution issue and allotment of securities under Section 81 (1A) of the Companies Act, 1956 ii. Approving extension of exercise period from 2 year to 4 years under Sintex Industries Ltd Employees Stock Option Scheme 2006.
2012-13	82nd Annual General Meeting At Registered office: Kalol (N.G.) 382721	Monday 30th September, 2013 10.30 a.m.	–

All the above mentioned resolutions were passed unanimously by the shareholders. During the last Financial Year, no resolution under Section 192A of the Companies Act, 1956 was passed through Postal Ballot.

VII. SUBSIDIARY COMPANIES:

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

The financial statements, in particular the investments made by the unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company, the minutes of the meetings of subsidiary companies are placed before the Company's Board regularly.

The Board of Directors also reviews statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies.

VIII. OTHER DISCLOSURES:

(i) Disclosure on materially significant related party transactions:

No transactions of material nature has been entered into by your Company with any related parties as per Accounting Standard that may have any potential conflict with the interests of your Company. The related party transactions have been disclosed under Note No. 30.3 forming part of the financial statements.

The Audit Committee reviewed the related party transactions undertaken by the Company in the ordinary course of business.

(ii) Details of non-compliance by the Company:

There were no instances of non-compliance by the Company on any matters relate to various capital markets or penalties imposed on the Company by the Stock Exchange or SEBI or any statutory authority during the last 3 financial years

(iii) 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.

(iv) CEO Certification:

As per the requirement of Clause 49 (V) of the Listing Agreement, the Managing Director of the Company has furnished the requisite certificate to the Board of Directors of the Company. Quarterly certificates on financial results were also placed before the Board pursuant to Clause 41.

(v) Others:

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.

IX. MEANS OF COMMUNICATION:

(i) Financial Results: The annual, half yearly and quarterly results are published in Financial Express (Gujarati) (Ahmedabad Edition), Financial Express (English) (All Editions) and Mint – Hindustan Times (All Editions).

(ii) All quarterly results are also posted on our website -www.sintex.in

(iii) The company's website www.sintex.in contains a separate dedicated Section Investor Relations' where shareholder information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable from.

(iv) The management discussion and analysis report is attached with the Directors' Report in this Annual Report.

(v) Press Releases made by the Company from time to time are also displayed on the Company's website.

(vi) Corporate presentations made to institutional investors or to analysts are posted on the Company's website- www.sintex.in

I. GENERAL SHAREHOLDER INFORMATION:

1. 83rd Annual General Meeting

Day, Date and Time	Friday, August 1, 2014 10:30 A.M.
Venue	Sintex Industries Limited Registered Office: Kalol – 382 721 (N.G.), Dist. Gandhinagar, Gujarat, India
Book closure dates	From 22nd July, 2014 to 1st August, 2014
Dividend payment date	On or after 4th August, 2014

2. Financial Calendar

The Company follows the period of 1st April to 31st March, as the Financial Year. For the Financial year 2014-15, Financial Results will be announced as per the following tentative schedule:

1st quarter ending on 30th June, 2014	2nd week of July, 2014
2nd quarter ending on 30th September, 2014	2nd week of October, 2014
3rd quarter ending on 31st December, 2014	2nd week of January, 2015
Year ending on 31st March, 2015	1st week of May, 2015

Listing on Stock Exchanges:

Stock Exchanges /Type of Instruments/ Stock Code	Address	Telephone No.
BSE Limited (BSE) Equity Shares *Equity – 502742	25th Floor, P.J. Towers, Dalal Street, Mumbai – 400 001	022 – 22721233/34
National Stock Exchange of India Ltd. (NSE) Equity Shares * Equity – Sintex EQ	Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	022 – 26598235/36 022 - 26598346
Singapore Exchange Securities Trading Limited Foreign Currency Convertible Bonds ("FCCB") * XS0856331391	2 Shenton Way # 19 – 00 SGX Center 1 Singapore 068804	00 65-6236 8888
BSE Limited Secured Redeemable Non-Convertible Debentures ("NCD's") *946041-₹250 Cr. 946720- ₹150 Cr. 946743- ₹200 Cr.	25th Floor , P.J. Towers, Dalal Street, Mumbai – 400 001	022 – 22721233/34

*Stock code

The equity shares of the Company have been delisted voluntarily from Ahmedabad Stock Exchange Limited (ASEL) w.e.f. 26th August, 2013 in terms of SEBI Delisting of Equity Shares, Regulation 2009 as Trading Platform of ASEL is not functional for more than a decade. The Company has paid the listing fees to the aforesaid Stock Exchanges and custodial fees to NSDL and CDSL for the Financial Year 2014-15.

3. Location of the depositories

Depository	Address	Telephone No.
National Securities Depository Ltd. (NSDL)	Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013	022 – 24994200
Central Depository Services (India) Limited (CDSL)	Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai – 400 001	022 - 2272 3333

4. Market Price Data

The share price data of the Company from 1st April, 2013 to 31st March, 2014 as compared to BSE Sensex and CNX Nifty are as follows:

Month	BSE Limited				National Stock Exchange of India Ltd.			
	Share Price		SENSEX		Share Price		CNX Nifty	
	High (₹)	Low (₹)	High	Low	High (₹)	Low (₹)	High	Low
April, 2013	50.45	43.40	19,622.68	18,144.22	50.40	43.40	5962.30	5477.20
May, 2013	58.00	46.15	20,443.62	19,451.26	56.55	46.10	6229.45	5910.95
June, 2013	51.60	36.65	19,860.19	18,467.16	51.70	36.55	6011.00	5566.25
July, 2013	44.10	25.00	20,351.06	19,126.82	44.20	24.95	6093.35	5675.75
August, 2013	27.15	17.40	19,569.20	17,448.71	27.20	17.45	5808.50	5118.85
September, 2013	24.50	16.90	20,739.69	18,166.17	24.50	16.80	6142.50	5318.90
October, 2013	37.25	20.65	21,205.44	19,264.72	37.30	20.65	6309.05	5700.95
November, 2013	35.15	28.25	21,321.53	20,137.67	35.15	28.15	6342.95	5972.45
December, 2013	35.80	30.40	21,483.74	20,568.70	35.90	30.35	6415.25	6129.95
January, 2014	40.70	31.50	21,409.66	20,343.78	40.75	31.45	6358.30	6027.25
February, 2014	35.30	30.80	21,140.51	19,963.12	35.30	30.75	6282.70	5933.30
March, 2014	43.90	34.10	22,467.21	20,920.98	43.80	34.10	6730.05	6212.25

5. Distribution of Shareholding as on March 31, 2014:

No. of Shares held (Face Value of Re. 1/- each)	Shareholders		Shares	
	Number	% of Total	Number	% of Total
Up to 5000	135773	98.00	54,266,536	17.33
5001 – 10000	1383	1.00	10,526,183	3.36
10001 – 15000	441	0.32	5,607,253	1.79
15001 – 20000	217	0.16	3,928,363	1.26
20001 – 25000	132	0.09	3,045,211	0.97
25001 – 50000	292	0.21	10,493,475	3.35
50001 & Above	306	0.22	225,242,959	71.94
TOTAL	138544	100.00	313,109,980	100.00

6. Categories of Shareholders as on March 31, 2014:

Category	No. of Shares held	% of Shares held	No. of Shareholders	% of Share Holders
Promoters Holding	128,435,763	41.02	26	0.02
Residential Individuals	88,396,955	28.23	134040	96.75
Financial Institutions/Banks	18,473,130	5.90	26	0.02
Mutual Funds/UTI	3,571,177	1.14	8	0.01
NRIs / OCBs/QFI	52,11,544	1.66	2383	1.72
FIIs	24,513,327	7.83	54	0.04
Domestic Companies/Bodies Corporate	38,194,294	12.20	1555	1.12
Trusts/Clearing Members/Others	63,13,790	2.02	452	0.33
TOTAL	31,31,09,980	100.00	138544	100.00

7. **Dematerialization of Shares:**
The Shares of Sintex Industries Ltd are compulsorily traded in dematerialized form. A total number of 30,78,96,210 Equity Shares of the Company constituting about 98.33% of the subscribed and paid-up share capital were in dematerialized form as on March 31, 2014. The Company's Equity Shares are frequently traded on BSE Ltd (BSE) and National Stock Exchange of India Ltd (NSE).

8. **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

a) **Issue of Non Convertible Debentures of ₹600 Crores:**
The Company issued 11.5% secured redeemable non-convertible debentures of ₹250 Crores on 18th February, 2009 and 9.00% secured redeemable non-convertible debentures aggregating to ₹350 Crores (₹150 Crores and ₹200 Crores respectively) On 1st June, 2010 & 24th June, 2010, total aggregating to ₹600 Crores to LIC of India on private placement basis to meet ongoing capital expenditure and long term working capital requirement

11.5% secured redeemable non-convertible debentures of ₹250 Crores are redeemable in three annual installments at the end of Seventh, Eighth and Ninth year from the date of allotment.

9.00% secured redeemable non-convertible debentures aggregating to ₹350 Crores are redeemable in two tranches at the end of fifth year from the date of allotment.

Credit Analysis and Research Limited (CARE) has assigned the revised rating of "CARE AA" (Pronounced double A) to Non- convertible Debentures of the Company, indicating the high degree of safety regarding timely servicing of financial obligations.

IL & FS Trust Company Limited, The IL & FS Financial Center, G Block, Plot No C-22, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 05 (Phone : 2653 3333, Fax : 2653 3297) is acting as Debenture Trustee for aforesaid debentures.

The aforesaid debentures are listed on the wholesale debt market of the BSE Ltd.

b) **Issue of Foreign Currency Convertible Bonds (FCCBs):**
During the financial year 2012-13, the Company has raised USD 140 million step down foreign currency convertible bonds (FCCBs) due 2017. The bondholders are entitled to apply for equity shares at a price of ₹75.60 per share with a fixed rate of exchange on conversion of ₹54.959 to USD 1. In case of full conversion of FCCBs, paid up capital of the Company will increase by 10,17,75,926 equity shares of ₹1/- each amounting to ₹10.18 Crores and the Securities Premium Account will increase by ₹759.25 Crores.

c) **Outstanding Warrants:**
During the financial year 2012-13, the Company had allotted 3,00,00,000 warrants optionally convertible into Equity Shares to Promoter Group Companies on preferential basis at a price of ₹69.01 per warrant (25% consideration paid upfront).

The Promoter Group Companies have exercised their right of conversion for 1,36,00,000 warrants, aggregating to allotment of 1,36,00,000 Equity Shares at a price of ₹69.01 (inclusive premium of ₹68.01 per share) .

At the end of financial year 31st March, 2014, 1,64,00,000 warrants are still outstanding for conversion by the Promoter Group Companies.

9. **Registrar and Share Transfer Agent (RTA):**
Share transfers, dividend payment and all other investor related matters are attended to and processed by our Registrar and Share Transfer Agent viz. M/s. Sharepro Services (India) Pvt. Ltd.

Sharepro Services (India) Pvt Ltd.
416-420, 4th Floor, Devnandan Mall,
Opp.Sanyas Ashram,
Ellisbridge,
Ahmedabad – 380 006
Phone: (O) 91-79-26582381 to 84
Fax: 91-79-26582385
Email:sharepro.ahmedabad@shareproservices.com

10. **Share Transfer System:**
Share transfer requests received in physical form are registered within 15 days from the date of receipt, subject to documents being valid and complete in all respect and Demat requests are normally confirmed within an average of 10 days from the date of receipt.

11. **Reconciliation of Share Capital Audit:**
A qualified practicing Company Secretary carried out reconciliation of share capital audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Ltd (CDSL) and the total issued and listed capital. The reconciliation of share capital audit report mentions that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL, as depositories.

12. **Plant Locations:**
The Company's plastic plants are located at Kalol (N.G.), Bangalore, Kolkatta, Daman, Bhachau (Kutch), Nagpur, Nalagarh, Salem and Namakkal and its textile plant is located at Kalol (N.G.).

Declaration:
It is hereby declared that the Company has obtained affirmation from all the Members of the Board and Senior Management personnel that they have complied with the "Code of Conduct and Ethics for Board Members and Senior Management" for the year ended on 31st March 2014.

Place: Ahmedabad
Date: May 8, 2014

Amit D. Patel
Managing Director

Corporate Governance Compliance Certificate

To the Members of
Sintex Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Sintex Industries Limited ("the Company"), for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the 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 M.C.GUPTA & CO.,
Company Secretaries

Mahesh C. Gupta
Proprietor
FCS: 2047 (CP: 1028)

Place : Ahmedabad
Date : July 4, 2014

Independent Auditors' Report

To the Members of
Sintex Industries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of SINTEX INDUSTRIES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;

(b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 29.3 to the financial statements, regarding the Scheme of Arrangement ("the Scheme") approved by the Honourable High Court of Gujarat on 25th March, 2009. As per the Scheme, the Company earmarked ₹200 crore from Securities Premium Account to International Business Development Reserve Account ("IBDR") in the year 2008-09 and adjusted against IBDR the expenses of the nature specified under the Scheme amounting to ₹198.11 crore up to 31st March, 2014 (₹197.31 crore up to 31st March, 2013). The said accounting treatment has been followed as prescribed under the Scheme. The relevant Generally Accepted Accounting Principles in India, in absence of such Scheme, does not permit the adjustment of such expenses against the Securities Premium Account / IBDR. Had the Company accounted for these expenses as per Generally Accepted Accounting Principles in India, the balance of Securities Premium Account would have been higher by ₹198.11 crore as at 31st March, 2014 (₹197.31 crore as at 31st March, 2013) and profit after tax would have been lower by ₹0.80 crore for the year ended on 31st March, 2014 (₹5.16 crore for the previous year ended on 31st March, 2013) and the surplus in Statement of Profit and Loss would have been lower by ₹198.11 crores.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   (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 Statement of Profit and Loss, 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 Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs), other than for the matter referred to in Emphasis of Matter paragraph.

   (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.117365W)

Samir R Shah
Partner
(Membership No.101708)

May 8, 2014
AHMEDABAD,

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets at some locations were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations 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.

(ii) In respect of its inventories:

(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 explanations 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.

(iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Act.

(iv) In our opinion and according to the information and explanation given to us, there is generally 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 for the sale of goods and services and during the course of our audit we have not observed any major weaknesses in such internal control system. In view of the size of the company and the nature of its business, the company needs to further strengthen the procurement process of fixed assets.

(v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Act, to the best of our knowledge and belief and according to the information and explanations given to us:

(a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

(b) Where each of such transaction is in excess of ₹5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.

(vi) According to the information and explanations given to us, the Company has not accepted deposits from the public to which the directives issued by the Reserve bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Act and the rules framed thereunder would apply. Accordingly, the provisions of clause 4(vi) of the Orderare not applicable to the Company.

(vii) In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management needs to be further strengthened to make it commensurate with the size of the Company and the nature of its business.

(viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Act and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs 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 Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

(c) There were no dues pending to be deposited on account of any dispute in respect of Income-tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess as on 31st March, 2014. Details of dues of Sales Tax/ Value Added Tax which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Name of the 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	Additional Commissioner Commercial Taxes, Corporate Division,Uluberia, West Bengal	2010-11	0.14
West Bengal Value Added Tax Act	Value Added Tax	Additional Commissioner Commercial Taxes, Corporate Division Uluberia, West Bengal	2010-11	0.49
Central Sales Tax Act,1956	Central Sales Tax	CTO Circle C, Jaipur, Rajasthan	2007-08 and 2008-09	0.43
Rajasthan Value Added Tax Act, 2003	Value Added Tax	CTO Circle C, Jaipur, Rajasthan	2007-08 and 2008-09	1.67

(x) The Company does not have any accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(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 financial institutions, banks and debenture holders.

(xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable to the Company.

(xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.

(xiv) The Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.

(xv) 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 wholly owned subsidiary from a financial institution are not, prima facie, prejudicial to the interests of the Company.

(xvi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.

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

(xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to companies covered in the Register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable to the Company.

(xix) According to the information and explanations given to us, the Company has not issued any debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable to the Company.

(xx) The Company has not raised any money by public issues during the financial year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.117365W)

Samir R Shah
Partner
(Membership No.101708)

May 8, 2014
AHMEDABAD,

Balance Sheet as at March 31, 2014

Particulars	Note No.	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share capital	3	31.12	31.12
b) Reserves and surplus	4	2,982.70	2,739.91
c) Money received against share warrants	5	28.31	28.31
		3,042.13	2,799.34
2 Non-current liabilities			
a) Long-term borrowings	6	2,856.06	2,078.94
b) Deferred tax liabilities (net)	30.6	311.43	271.03
c) Long-term provisions	7	14.09	13.49
		3,181.58	2,363.46
3 Current liabilities			
a) Short-term borrowings	8	549.95	932.06
b) Trade payables	9	375.80	261.19
c) Other current liabilities	10	202.95	200.22
d) Short-term provisions	11	29.17	28.55
		1,157.87	1,422.02
TOTAL		7,381.58	6,584.82
B ASSETS			
1 Non-current assets			
a) Fixed assets			
i) Tangible assets	12A	2,664.23	2,106.76
ii) Intangible assets	12B	1.26	0.28
iii) Capital work-in-progress		84.50	124.74
		2,749.99	2,231.78
b) Non-current investments	13	1,013.66	941.71
c) Long-term loans and advances	14	1,800.03	877.61
d) Other non-current assets	15	46.66	23.44
		5,610.34	4,074.54
2 Current assets			
a) Current investments	16	15.58	24.84
b) Inventories	17	168.28	200.97
c) Trade receivables	18	1,299.64	1,236.63
d) Cash and bank balances	19	102.70	781.29
e) Short-term loans and advances	20	87.18	231.97
f) Other current assets	21	97.86	34.58
		1,771.24	2,510.28
TOTAL		7,381.58	6,584.82

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

Dinesh B. Patel *Chairman*
Arun P. Patel *Vice Chairman*
Amit D. Patel *Managing Director (Group)*
S.B. Dangayach *Managing Director*

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

For Deloitte Haskins & Sells
Chartered Accountants

Samir R. Shah
Partner
Membership No. 101708
Ahmedabad
Date : May 8, 2014

Hitesh T Mehta
Company Secretary
Ahmedabad
Date : May 8, 2014

Statement of Profit and Loss Account for the year ended at March 31, 2014

Particulars	Note No.	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
1 Revenue from operations (gross)	22	3,314.47	3,064.85
Less: Excise duty/ Service Tax		81.35	95.59
Revenue from operations (net)		3,233.12	2,969.26
2 Other income	23	113.87	82.21
3 Total revenue (1+2)		3,346.99	3,051.47
4 Expenses			
a) Cost of materials consumed	24.a	2,056.52	1,961.19
b) Changes in inventories of finished goods and work-in- progress	24.b	23.37	(28.85)
c) Employee benefits expense	25	112.99	106.40
d) Finance costs	26	237.38	144.49
e) Depreciation and amortisation expense	12C	138.33	123.18
f) Other expenses	27	324.34	342.26
Total expenses		2,892.93	2,648.67
5 Profit before exceptional items and tax (3-4)		454.06	402.80
6 Exceptional items	28	16.06	90.35
7 Profit before tax (5-6)		438.00	312.45
8 Tax expense:			
a) Current tax expense		93.07	62.68
b) (Less): MAT Credit Entitlement		(35.36)	(62.10)
c) Short/ (excess) provision for tax relating to prior years		4.83	1.06
d) Net current tax expense		62.54	1.64
e) Deferred tax		40.40	41.62
		102.94	43.26
9 Profit for the year (7-8)		335.06	269.19
10 Earnings per share (of ₹1/- each):	30.5		
a) Basic (in ₹)		10.77	9.46
b) Diluted (in ₹)		10.77	9.44

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

Dinesh B. Patel *Chairman*
Arun P. Patel *Vice Chairman*
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Chartered Accountants

Samir R. Shah
Partner
Membership No. 101708
Ahmedabad
Date : May 8, 2014

Hitesh T Mehta
Company Secretary
Ahmedabad
Date : May 8, 2014

Cash Flow Statement for the year ended at March 31, 2014

Particulars	For the year ended March 31, 2014		For the year ended March 31, 2013	
	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		438.00		312.45
Adjustments for :				
Profit on sale of fixed assets & Investments	(2.91)		(2.40)	
Discount on prepayment of FCCB	–		(21.27)	
Unrealised Foreign Exchange (Gain)/Loss (Net)	2.98		(4.90)	
Exceptional Items	16.06		90.35	
Interest Income	(99.81)		(50.86)	
Dividend Income	(0.02)		(0.05)	
Depreciation and Amortisation expenses	138.33		123.18	
Finance Cost	237.38		144.49	
Provision for Doubtful debts and advances	2.83		0.88	
Loss on sale of Fixed Assets	7.73		–	
		302.57		279.42
Operating profit before working capital changes		740.57		591.87
Adjustments for increase/ decrease in Operating Assets/ Liabilities:				
Trade and other receivables	(52.27)		24.96	
Inventories	32.69		(25.20)	
Trade and Other payables	82.97		90.85	
		63.39		90.61
Cash generated from operations		803.96		682.48
Direct taxes paid (Net)		(91.59)		(83.10)
Net cash generated from Operating Activities - (A)		712.37		599.38
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets/ addition to capital work-in-progress	(1,293.62)		(278.87)	
Sale of fixed assets	2.17		2.69	
Investment in subsidiaries	–		(100.00)	
Loans given to subsidiaries	(134.68)		(99.33)	
(Purchase)/ sale of current investments	9.27		7.68	
Fixed deposit with bank realised	11.48		418.07	
Interest received	30.89		50.24	
Dividend received	0.02		0.05	
Net cash used in Investing Activities - (B)		(1,374.47)		0.53
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Equity Shares and Share Warrants	–		296.92	
Proceeds from Long Term borrowings	757.42		328.68	
Repayment of Long Term borrowings	(85.38)		(91.88)	
Prepayment/Redemption of FCCB (including Premium)	–		(1,547.73)	
Proceeds from new FCCB (Net of Expenses)	–		737.95	
Net increase/(decrease) in working capital borrowings	(382.11)		490.83	
Finance Cost	(266.49)		(198.30)	
Dividend paid	(25.47)		(20.53)	
Net cash used in Financing Activities - (C)		(2.03)		(4.06)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(664.13)		595.85
Cash and cash equivalents at the beginning of the year		769.21		175.47
Effect of exchange differences on restatement of foreign currency cash and cash equivalents		(2.98)		(2.11)
Cash and cash equivalents at the end of the year		102.10		769.21

Cash Flow Statement for the year ended at March 31, 2014

Notes:

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
1 Cash and cash equivalents at the end of the year comprises:		
a) Cash on hand	0.17	0.36
b) Cheques, drafts on hand	4.50	2.03
c) Current accounts with banks	85.19	471.47
d) Bank deposits with upto 3 months maturity	12.24	295.35
Total	102.10	769.21

2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 on Cash Flow Statement.

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

4 Non-cash transaction: The Company received secured non convertible debentures against sale of its equity stake in its subsidiary together with the loan balance outstanding. (Refer Note no 29.4)

In terms of our report attached

For and on behalf of the Board of Directors

Dinesh B. Patel *Chairman*
Arun P. Patel *Vice Chairman*
Amit D. Patel *Managing Director (Group)*
S.B. Dangayach *Managing Director*

Ramnikbhai H.Ambani *Director*
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For Deloitte Haskins & Sells
Chartered Accountants

Samir R. Shah
Partner
Membership No. 101708

Ahmedabad
Date : May 8, 2014

Hitesh T Mehta
Company Secretary

Ahmedabad
Date : May 8, 2014

Notes forming part of financial statements

1 CORPORATE INFORMATION

Sintex Industries Limited , the flagship company of Sintex group is a public company domiciled in India and incorporated in 1931 under the provisions of the Companies Act, 1956. It is headquartered in Kalol in Gujarat. Its shares are listed on NSE and BSE in India. The Company is one of the leading providers of plastics and niche structured yarn dyed textiles related products in India. Initially the Company started its operations in textile and diversified in plastic business in mid 70s. The plastic division manufacturers products which includes prefabricated structures, monolithic constructions, FRP products and water storage tanks.

2 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 (“the 1956 Act”) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 (“the 2013 Act”) in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c) Fixed Assets (Tangible/ Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. The Company has adopted the provisions of para 46A of AS 11 The Effects of Changes in Foreign Exchange Rates, accordingly, exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Capital work-in-progress:

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest including exchange difference.

d) 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.

e) Depreciation and amortisation

Depreciation on Buildings, Plant and Machinery is provided 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

Notes forming part of financial statements

calculated on written down value basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Premium on leasehold land is amortized over the period of lease.

Intangible assets viz. technical knowhow and software are amortised over a period of five years.

f) Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

g) 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.

h) Inventories

Inventories of finished goods, raw materials and work in progress are carried at lower of cost and net realisable value. Fuel and stores & spare parts are carried at cost after providing for obsolescence and other losses. Cost for raw materials, fuel, stores & spare parts are ascertained on weighted average basis. Cost for finished goods and work in progress is ascertained on full absorption cost basis and includes excise duty.

i) Revenue Recognition

Revenue is recognized 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 but does not include other recoveries such as handling charges, transport, octroi, etc.

Revenues from service contracts are recognised when services are rendered and related costs are incurred.

j) Foreign Currency Transactions/ Translation

a) Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

b) Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

c) Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable fixed assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss except in case of exchange differences arising on net investment in non-integral foreign operations, where such amortisation is taken to “Foreign currency translation reserve” until disposal / recovery of the net investment. The unamortised exchange difference is carried in the Balance Sheet as “Foreign currency monetary item translation difference account” net of the tax effect thereon, where applicable.

Notes forming part of financial statements

d) Accounting for forward contracts: Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date.

k) Employee Benefits

Defined Contribution Plan:

The Company's contributions paid / payable for the year to Provident Fund and Super Annuation are recognised in the Statement of Profit and Loss.

Defined Benefit Plan:

The Company's liabilities towards gratuity and compensated absence 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 Statement of Profit and Loss 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.

l) 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.

m) Accounting for Tax

Current tax is 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. Deferred tax assets are recognised for timing differences of items other than unabosrbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

n) Leases

Assets acquired under lease where the Company has substantially all the risks and rewards incidental to ownership are classified as finance lease. 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 Statement of Profit and Loss on straightline basis.

o) 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.

Notes forming part of financial statements

3 SHARE CAPITAL

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
Authorised		
65,00,00,000 (previous year 65,00,00,000) Equity Shares of ₹1 each	65.00	65.00
Total	65.00	65.00
Issued		
31,31,41,780 (previous year 31,31,41,780) Equity Shares of ₹1 each	31.31	31.31
Total	31.31	31.31
Subscribed and fully paid up		
31,31,09,980 (previous year 31,31,09,980) Equity Shares of ₹1 each	31.31	31.31
Less:- Amount Recoverable from ESOP Trust (face value of ₹1 each, 19,23,000 (previous year 19,23,000) equity shares allotted to the Trust)	0.19	0.19
Total	31.12	31.12

Notes:-

i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Opening Balance	QIP issue during the year	Conversion of share warrants into equity shares during the year	Closing Balance
Equity Shares				
Year ended 31st March 2014				
- Number of shares	313,109,980	–	–	313,109,980
- Amount (₹ In Crore)	31.31	–	–	31.31
Year ended 31st March 2013				
- Number of shares	272,990,866	26,519,114	13,600,000	313,109,980
- Amount (₹ In Crore)	27.30	2.65	1.36	31.31

ii) Terms/ Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of Shareholders in the ensuing AGM.

iii) As at 31st March, 2014 12,00,98,926 shares (As at 31st March, 2013 12,00,98,926 shares) were reserved for issuance as follows:

a) 19,23,000 shares (As at 31st March, 2013 19,23,000 shares) of ₹1 each towards outstanding employee stock options granted / available for grant. (Refer Note 31)

b) 1,64,00,000 shares (As at 31st March, 2013 1,64,00,000 shares) of ₹1 each towards outstanding share warrants to promoter group companies. (Refer Note 5)

c) 10,17,75,926 shares (As at 31st March, 2013 10,17,75,926 shares) of ₹1 each towards Foreign Currency Convertible Bonds (FCCB) (Refer Note 29.5)

iv) Equity shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below:

Class of shares / Name of shareholder	As at March 31, 2014		As at March 31, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
BVM Finance Private Limited	78,103,905	24.94%	78,103,905	24.94%
Kolon Investment Private Limited	20,634,046	6.59%	14,410,400	4.60%
Opel Securities Private Limited	20,635,452	6.59%	14,410,050	4.60%

Notes forming part of financial statements

4 RESERVES AND SURPLUS

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
a) Capital reserve		
Balance as per last Balance sheet	47.80	47.80
b) Capital redemption reserve		
Balance as per last Balance sheet	15.05	15.05
c) Securities premium account		
Opening Balance*	810.50	667.12
Add:- Premium on issue of shares during the year	–	264.60
Less: Writing off QIP/FCCB issue expenses	–	(23.51)
Less: Premium on Redemption of FCCBs	–	(97.71)
Closing balance *	810.50	810.50
* Include ₹34.26 crore (previous year ₹34.26 crore) recoverable from ESOP Trust (Premium on 19,23,000 (previous year 19,23,000) equity shares allotted to the Trust)		
d) Debenture redemption reserve		
Opening balance	106.52	73.25
Add: Transferred from surplus in Statement of Profit and Loss	33.27	33.27
Closing balance	139.79	106.52
e) Employee Stock options outstanding account		
Balance as per last balance sheet	29.41	29.41
f) General reserve		
Opening balance	230.18	202.68
Add: Transferred from surplus in Statement of Profit and Loss	35.00	27.50
Closing balance	265.18	230.18
g) Foreign Currency Monetary Item Translation Difference Account		
Opening balance	7.01	(44.21)
(Less): Effect of foreign exchange rate variations during the year	(81.89)	(39.13)
Add / (Less): Amortisation during the year	16.06	90.35
Closing balance	(58.82)	7.01
h) International Business Development Reserves Account (Refer note 29.3)		
Opening balance	2.69	7.85
Less: Adjusted towards expenses specified under the Scheme of Arrangement	(0.80)	(5.16)
Closing balance	1.89	2.69
i) Surplus in Statement of Profit and Loss		
Opening balance	1,490.75	1,307.81
Add: Profit for the year	335.06	269.19
Transferred to:		
Less: General reserve	(35.00)	(27.50)
Less: Debenture redemption reserve	(33.27)	(33.27)
Less: Dividends proposed to be distributed to equity shareholders ₹0.70 per share (Previous year ₹0.70 per share)	(21.92)	(21.92)
Less: Tax on dividend	(3.72)	(3.56)
Closing balance	1,731.90	1,490.75
Total	2,982.70	2,739.91

5 SHARE WARRANTS

The Board of Directors of the Company, at their meeting held on 11th October, 2012 and as approved by the Members at their meeting held on 9th November , 2012, have resolved to create, offer, issue and allot up to 3,00,00,000 warrants, convertible into one equity shares at a price of ₹1/- each on a preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of ₹69.01/- per equity share, arrived at in accordance with the SEBI Guidelines in this regard. Subsequently, vide meeting dated 22nd November, 2012 of the Committee of Board of Directors, these warrants were allotted to the promoter group companies and the 25% application money was received from them. The warrants may be converted into equivalent number of equity shares on payment of the balance amount at any time on or before 21st May, 2014. In the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants.

In previous year i.e. on 24th December, 2012, upon exercise of the option in respect of 1,36,00,000 warrants, equivalent number of Equity Shares have been issued, which resulted into increase in Equity Share Capital by ₹1.36 crores and Security Premium Account by ₹92.49 crore. During the year, the option has not been exercised.

Notes forming part of financial statements

6 LONG-TERM BORROWINGS

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
a) Debentures		
Secured (refer note- (i) and (ii) below)	600.00	600.00
b) Term loans		
i) From banks		
Secured (refer note- (iii) and (iv) below)	1,270.36	679.79
ii) From a Financial Institution		
Secured (refer note- (iii) and (iv) below)	144.30	37.70
c) Foreign Currency Convertible Bonds	841.40	761.45
Unsecured (refer not 29.5)		
Total	2,856.06	2,078.94

Notes:

i) 2,500 (Previous year 2,500) 11.5% Secured Redeemable Non Convertible debentures of ₹ 10,00,000/- each, are redeemable at par in three equal annual installments starting from 18th February, 2016. The Debentures are secured by first pari passu charge on all the movable and immovable assets, both present and future, of the Company.

ii) 3,500 (Previous year 3,500) - 9.00% Secured Redeemable Non Convertible Debentures of ₹ 10,00,000/- each, are redeemable at par in two tranches - 1,500 Debentures (₹ 150 crore) on 1st June, 2015 and 2000 Debentures (₹ 200 crore) on 24th June, 2015. The Debentures are secured by way of first pari passu charge on all movable and immovable assets, both present and future, of the Company.

iii) Term Loans from the banks and Financial Institution are secured by first charge on pari passu basis 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 favor of the Banks for working capital facilities (Refer note 8).

iv) Terms of repayments of term loans (including current maturities of long term debt) carrying interest rate range of 6% to 12% p.a. are given below:-

a) Loan outstanding of ₹ 24.91 crores (previous year ₹ 49.91 crores) - the overall loan repayment term includes 20 quarterly installment of ₹ 6.25 crores each starting from 29th June, 2010 to 26th March, 2015

b) Loan outstanding of ₹ 292.50 crores (previous year ₹ 308.75 crores) - the overall loan repayment term includes annual installments of ₹ 16.25 crores each from 31st March, 2013 to 31st March, 2016 and ₹ 130 crores each on 31st March, 2017 and 31st March, 2018.

c) Loan outstanding of ₹ 10.00 crores (previous year ₹ 20.00 crores) - the overall loan repayment term includes 20 quarterly installments of ₹ 2.50 crores each starting form 16th April, 2010 till 16th January 2015.

d) Foreign currency loan of ₹ 721.20 crore (previous year ₹ 217.56 crores) is repayable in three equal annual installment of ₹ 240.40 crores at the end of 5th, 6th and 7th year i.e. starting from 14th December, 2017 till 14th December 2019.

e) The Technology Upgradation Fund Scheme (TUFs) term loans include:

i) Loan outstanding of ₹ 39.68 crores (previous year ₹ 57.68 crores) - the overall loan repayment term includes 32 quarterly installment of ₹ 4.69 crores each starting from 30th June, 2008 till 30th May, 2016 .

ii) Loan outstanding of ₹ 0.50 crores (previous year ₹ 6.50 crores) - the overall loan repayment term includes 32 quarterly installment of ₹ 1.50 crore each starting from 30th September, 2008 till 30th June, 2014.

iii) Loan outstanding of ₹ 21.09 crores (previous year ₹ 30.47 crores) - the overall loan repayment term includes 32 quarterly installment of ₹ 2.34 crore each starting from 17th October, 2014 to 17th April, 2016.

iv) Loan outstanding of ₹ 191.83 crores (previous year ₹ 49.50 crores) - the overall loan repayment term includes 32 quarterly installment of ₹ 6.25 crore each starting from 1st October, 2014 till 1st July, 2022.

v) Loan outstanding of ₹ 144.30 crore (previous year ₹ 37.70 crores) - the overall loan repayment term includes 32 quarterly installment of ₹ 4.69 crore each commencing after 27 months moratorium period i.e. starting from 20th October, 2014 till 20th July, 2022.

vi) Loan outstanding of ₹ 76.56 crore (previous year ₹ 24.80 crores) - the overall loan repayment term includes 32 quarterly installment of ₹ 3.13 crore each commencing from 1st October , 2014 till 1st July, 2022.

Notes forming part of financial statements

7 LONG-TERM PROVISIONS

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
Provision for employee benefits (Refer Note 30.1):		
i) Provision for compensated absences	7.80	7.85
ii) Provision for gratuity	6.29	5.64
Total	**14.09**	**13.49**

8 SHORT-TERM BORROWINGS

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
Loans repayable on demand		
From banks		
Secured - Refer note (i) below	359.18	720.82
Unsecured	190.77	211.24
Total	**549.95**	**932.06**

Note:

(i) Working capital facilities from the banks are 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.

9 TRADE PAYABLE

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
Trade payables:		
Acceptances	133.41	21.86
Other than Acceptances (Refer Note 29.6)	242.39	239.33
Total	**375.80**	**261.19**

10 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
a) Current maturities of long-term borrowings	107.91	85.38
(Refer note (iii) in Note 6 Long term borrowings for detail of security)		
b) Interest accrued but not due on borrowings	43.47	30.13
c) Interest accrued and due on borrowings (refer note below)	4.09	5.59
d) Investor's Education and Protection Fund		
Unclaimed dividends	0.60	0.48
(These do not include any amounts due and outstanding to be credited to "Investors' Education and Protection Fund")		
e) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	9.86	11.44
(ii) Payables on purchase of fixed assets	1.69	0.67
(iii) Trade / security deposits received	8.02	6.41
(iv) Advances from customers	27.31	49.42
(v) Others	–	10.70
Total	**202.95**	**200.22**

Note:

The Company has not made any default in repayment of its borrowings and the amount outstanding denotes auto debit made by the bankers on 1st April 2014 for which the Company made accrual as on 31st March 2014.

Notes forming part of financial statements

11 SHORT-TERM PROVISIONS

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
a) Provision for employee benefits (Refer Note 30.1) :		
i) Provision for compensated absences	1.12	1.01
ii) Provision for gratuity	2.41	2.06
	3.53	3.07
b) Provision - Others:		
i) Provision for proposed equity dividend	21.92	21.92
ii) Provision for tax on proposed dividends	3.72	3.56
	25.64	25.48
Total	**29.17**	**28.55**

12 FIXED ASSETS

A. Tangible Assets

(₹ in crores)

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 1st April, 2013	Additions during the year	Deductions during the year	As at 31st Mar 2014	As at 1st April, 2013	For the year	Deductions during the year	As at 31st Mar 2014	As at 31st March 2014	As at 31st March 2013
1	2	3	4	5	6	7	8	9	10	11
Freehold Land	66.46	182.00	–	248.46	–	–	–	–	248.46	66.46
Leasehold Land	0.92	–	–	0.92	–	0.10	–	0.10	0.82	0.92
Buildings	193.91	26.47	9.39	210.99	35.68	6.27	2.82	39.13	171.86	158.23
Plant & Machinery	2,492.10	491.39	20.39	2,963.10	631.30	126.11	17.55	739.86	2,223.24	1,860.80
Furniture, Fixture & Office equipments	17.90	1.06	0.14	18.82	11.59	1.06	0.10	12.55	6.27	6.31
Vehicles	29.14	4.30	2.78	30.66	15.10	4.31	2.33	17.08	13.58	14.04
Total Tangible Assets	**2,800.43**	**705.22**	**32.70**	**3,472.95**	**693.67**	**137.85**	**22.80**	**808.72**	**2,664.23**	**2,106.76**
Previous year	2,582.64	222.78	4.99	2,800.43	574.02	122.01	2.36	693.67	2,106.76	

B. Intangible Assets (other than internally generated)

(₹ in crores)

Particulars	GROSS BLOCK (AT COST)				AMORTISATION				NET BLOCK	
	As at 1st April, 2013	Additions during the year	Deductions during the year	As at 31st Mar 2014	As at 1st April, 2013	For the year	Deductions during the year	As at 31st Mar 2014	As at 31st March 2014	As at 31st March 2013
1	2	3	4	5	6	7	8	9	10	11
Technical Knowhow	3.19	–	–	3.19	3.08	0.11	–	3.19	–	0.11
Computer Software	4.88	1.46	–	6.34	4.71	0.37	–	5.08	1.26	0.17
Total Intangible Assets	**8.07**	**1.46**	**–**	**9.53**	**7.79**	**0.48**	**–**	**8.27**	**1.26**	**0.28**
Previous year	8.07	–	–	8.07	6.62	1.17	–	7.79	0.28	

C. Depreciation and Amortization for the year

Particulars	2013-14 (₹ in crores)	2012-13 (₹ in crores)
Depreciation and amortisation for the year on tangible assets as per Note 12 A	137.85	122.01
Amortisation for the year on intangible assets as per Note 12 B	0.48	1.17
Total	**138.33**	**123.18**

Notes:

i) In case of freehold land capitalised during the year the title deed/conveyance deed in favour of the Company pending.

ii) The unamortized balance (carried as a part of tangible asset and asset under construction), as at the year end, aggregates to ₹66.36 crores (Previous Year ₹0.50 crores).

iii) Addition to Fixed Assets include Capitalisation of borrowing Costs pertaining to qualifying assets of ₹18.35 crores (Previous year ₹16.48 crores)

iv) Addition to Fixed Assets include Foreign Exchange Capitalised of ₹19.20 crores (Previous year ₹ Nil)

Notes forming part of financial statements

13 NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
Investments (At cost)		
A. Trade, Unquoted		
a) Investments in Equity Instruments		
i) of subsidiaries:		
Sintex Holdings B.V. 7,10,29,893 (previous year 7,10,29,893) shares of Euro 1 fully paid	571.30	571.30
Sintex Infra Projects Ltd 20,00,000 (previous year 20,00,000) shares of ₹10 each fully paid	147.55	147.55
Bright AutoPlast Ltd 50,10,000 (previous year 50,10,000) shares of ₹10 each fully paid	50.03	50.03
Zep Infratech Ltd (Refer Note 29.4) Nil (previous year 12,98,600) shares of ₹10 each fully paid	–	111.00
ii) of other entities:		
BVM Finance Pvt Ltd 17,38,000 (previous year 17,38,000) shares of ₹10 each fully paid	8.69	8.69
Sintex Oil & Gas Ltd 50,000 (previous year 50,000) shares of ₹10 each fully paid	0.05	0.05
Sintex International Ltd 9,00,000 (previous year 9,00,000) shares of ₹10 each fully paid	3.00	3.00
b) Investments in Preference shares of subsidiary:		
Bright AutoPlast Ltd. 50,00,000 (previous year 50,00,000) shares of ₹100 each fully paid	50.00	50.00
c) Investments in debentures (refer note below)		
3,659, 4% NCD's (previous year Nil) of Khadayata Decor Ltd of face value of ₹5,00,000 each (Refer Note 29.4)	182.95	–
B. Other Investments, Quoted		
a) Investments in Equity Instruments:		
Dena Bank 30,200 (previous year 30,200) shares of ₹10 each fully paid	0.09	0.09
Total	1,013.66	941.71
Aggregate amount of quoted Investments	0.09	0.09
Aggregate market value of quoted investment	0.18	0.27
Aggregate amount of unquoted Investments	1,013.57	941.62

Note:

Debentures are secured against assets of Khadayata Decor Limited and further secured by guarantee received from a related party company.

14 LONG-TERM LOANS AND ADVANCES *(Unsecured, considered good, unless otherwise stated)*

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
a) Capital advances	1,255.57	538.74
b) Security deposits	9.80	13.54
c) Loans and advances to related parties (Refer Note 29.7)	358.95	180.43
d) Advance income tax [net of provision ₹423.86 crs (as at 31 March 2013 ₹385.56 crs)]	30.63	37.53
e) MAT Credit Entitlement	141.04	105.09
f) Service tax paid under protest	4.04	2.28
Total	1,800.03	877.61

Notes forming part of financial statements

15 OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
a) Unamortised expenses	21.99	19.80
b) Others	24.67	3.64
Total	46.66	23.44

16 CURRENT INVESTMENTS

Particulars	Face Value	For the year ended March 31, 2014		For the year ended March 31, 2013	
	(in ₹)	No. of Units	(₹ in crores)	No. of Units	(₹ in crores)
Current Investments					
Non- Trade, Unquoted					
Mutual funds					
Templeton India Short Term Income Plan Inst.-G	1000	18728	2.85	18728	2.85
Templeton India Income Opp. Fund- G	10	4675563	5.00	4675563	5.00
Birla Sunlife STP 1	10	482	0.01	482	0.01
IDFC Imperial Equity Fund-Plan A G	10	64001	0.12	64001	0.12
IDFC Premier Equity Fund Plan A Growth	10	6430	0.02	6430	0.02
HDFC CMF Tap- R.G	10	705	*	705	*
HDFC Top 200 Fund G	100	6130	0.13	6130	0.13
HDFC Mid Cap Opporutinites Fund G	10	13935	0.02	13935	0.02
HDFC Core and Satellite Fund	10	31472	0.13	31472	0.13
HDFC Equity Fund G	100	5511	0.15	5511	0.15
HDFC Top 200 Fund G	100	6154	0.12	6154	0.12
IDFC Imperial Equity Fund-Plan A G	10	64525	0.12	64525	0.12
HDFC Top 200 Fund G	100	636	0.01	636	0.01
HDFC Equity Fund G	100	3436	0.09	3436	0.09
HDFC Top 200 Fund - G	100	4478	0.09	4478	0.09
Reliance Liquid Fund Treasury Plan Retail Option Growth Option Growth Plan (SH)	10	29	0.01	29	0.01
Reliance Banking Fund	100	2480	0.02	2480	0.02
Kotak Floter Long Term-Growth	10	887	*	887	*
Kotak MID CAP	10	12415	0.03	12415	0.03
DSP Black Rock Money Manager Fund-Regular Plan Growth	1000	11	*	11	*
DSP Black Rock Micro Cap Fund R-	10	20342	0.03	20342	0.03
IDFC MMF TPA-Growth	10	987	*	987	*
IDFC Premier Equity Fund Plan A	10	9194	0.03	9194	0.03
DSP Black Rock Small and Mid Cap Fund - R	10	17882	0.03	17882	0.03
Templeton India Income Opp. Fund- G	10	299514	0.36	299514	0.36
Birla Sunlife Ultra Short Term Fund- Retail-Growth	100	6256	0.12	6256	0.12
Birla Sunlife Cash Manager-Growth	100	12613	0.32	12613	0.32
Kotak FMP Series- 73 (G)	10	–	–	70000	0.07
Kotak FMP Series- 111	10	79970	0.08	–	–
Reliance Equity Opportunities Fund-Retail Plan- G Plan	10	–	–	14937	0.05
DSP Black Rock Equity Fund-Regular Plan G	10	31920	0.05	31920	0.05
HDFC Equity Fund-G	100	1872	0.05	1872	0.05
HDFC Prudence Fund-G	100	2935	0.06	2935	0.06
HDFC CMT Adv, Plan	10	35740	0.10	–	-
Templeton India Income Builder Account Plan A Growth	10	20326	0.08	20326	0.08
IDFC Yearly Series Interval Fund Regular Plan - Series III Growth (IA)	10	77200	0.08	77200	0.08

Notes forming part of financial statements

16 CURRENT INVESTMENTS *(contd...)*

Particulars	Face Value	For the year ended March 31, 2014		For the year ended March 31, 2013	
	(in ₹)	No. of Units	(₹ in crores)	No. of Units	(₹ in crores)
ICICI Prudential Gift fund- Treasury-G	10	–	–	1242315	3.50
IDFC Government Securities Fund-Investment Plan - Growth- Regular Plan	10	–	–	1243487	1.67
Templeton India Short Term Income Plan Inst.-G	1000	13520	3.12	20520	4.65
Reliance Dynamic Bond Fund - Growth	10	–	–	1757369	2.62
Templeton India Short term Income Fund - Growth	1000	662	0.15	662	0.15
Templeton India Law Duration Fund - G	10	1621863	2.00	1621863	2.00
TOTAL			15.58		24.84
Aggregate repurchase value of unquoted investments			19.48		27.44

Figures below`50,000 are demoneted by*

17 INVENTORIES *(At lower of cost and net realisable value)*

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
(a) Raw materials	28.23	35.39
(b) Work-in-progress	60.41	79.68
(c) Finished goods	71.01	75.11
(d) Stores and spares	8.63	10.79
Total	168.28	200.97

18 TRADE RECEIVABLES

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	32.00	56.06
Doubtful	5.00	2.17
Less: Provision for doubtful trade receivables	(5.00)	(2.17)
	32.00	56.06
Other Trade receivables		
Unsecured, considered good	1,267.64	1,180.57
Total	1,299.64	1,236.63

19 CASH AND BANK BALANCES

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
(A) Cash and cash equivalents		
a) Cash on hand	0.17	0.36
b) Cheques, drafts on hand	4.50	2.03
c) Current accounts with banks	85.19	471.47
d) Bank deposits with upto 3 months maturity	12.24	295.35
	102.10	769.21
(B) Other bank balances		
a) Earmarked balances with banks		
- Unclaimed dividend accounts	0.60	0.48
b) Bank deposits	–	11.60
	0.60	12.08
Total	102.70	781.29

Notes forming part of financial statements

20 SHORT-TERM LOANS AND ADVANCES *(Unsecured, considered good, unless otherwise stated)*

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
a) Loans and advances to related parties (Refer Note 29.7)	–	43.83
b) Security deposits	1.30	2.32
Doubtful	0.45	0.45
Less: Provision for doubtful deposits	(0.45)	(0.45)
	1.30	2.32
c) Advances recoverable in cash or in kind		
Secured, considered good (Refer Note (i) below)	24.35	–
Unsecured, considered good	30.38	160.05
d) Prepaid expenses	1.81	2.15
e) Balances with government authorities		
i) CENVAT credit receivable	14.00	13.14
ii) VAT credit receivable	11.11	6.27
iii) Service Tax credit receivable	4.23	4.21
Total	87.18	231.97

Note: i) ₹24.35 crores (previous year ₹ Nil) due from Sintex Oil & Gas Limited is guaranteed by a Promoter Group Company.

21 OTHER CURRENT ASSETS

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
a) Interest Receivable	74.00	5.07
b) Unamortised expenses	7.66	13.00
c) Export Incentive Receivable	0.45	0.16
d) Others*	15.75	16.35
Total	97.86	34.58

* includes Power Credit Receivable and Receivable on sale of fixed assets.

22 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
a) Sale of products (Refer Note (i) below)	3,085.69	2,886.92
b) Sale of service (Refer Note (ii) below)	228.78	177.93
	3,314.47	3,064.85
Less:		
Excise duty/ Service Tax	81.35	95.59
Total	3,233.12	2,969.26
Note:		
(i) Sale of products comprises following manufactured goods:		
A. Textile Unit		
Cloth packed	525.35	450.78
Yarn	15.93	16.43
Waste	4.58	4.50
	545.86	471.71
B. Plastic Unit		
Rotomould	434.07	487.25
Prefabricated Structure and Exturded Thermo Plastic Sections	1,936.71	1,772.30
SMC/Pultrusion/ Thermoforming	169.05	155.66
	2,539.83	2,415.21
Total Sale of manufactured goods	3,085.69	2,886.92
(ii) Sale of Service comprises:		
Erection and Installations	228.78	177.93
Total Sale of Services	228.78	177.93

Notes forming part of financial statements

23 OTHER INCOME

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
a) Interest income (Refer Note below)	99.81	50.86
b) Dividend income:		
From Current Investment in Mutual Fund	0.02	0.05
c) Net gain on sale of investments		
- Current Investment	0.83	2.34
- Long Term Investment (Refer Note no 29.4)	2.08	–
d) Net gain on foreign currency transactions and translation (other than considered as finance cost)	7.53	–
e) Discount on prepayment of FCCB	–	21.27
f) Profit on sale of Fixed Assets	–	0.06
g) Others	3.60	7.63
Total	**113.87**	**82.21**
Note:		
Interest income comprises :		
Interest on Loans, Advances and Bank Deposits	99.10	50.00
Interest on overdue trade receivables	0.50	0.80
Interest on Income Tax refund	0.21	0.06
Total	**99.81**	**50.86**

24.a COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
Opening stock	35.39	35.38
Add: Purchases	2,049.36	1,961.20
Less: Closing stock	28.23	35.39
Cost of materials consumed	**2,056.52**	**1,961.19**
Note:		
Materials consumed comprise:		
Cotton yarn and other fibers	128.04	104.93
Plastic Resins, Granules and powder etc.	710.19	780.03
Bought-out goods consumed	1,218.29	1,076.23
Total	**2,056.52**	**1,961.19**

24.b CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
Inventories at the end of the year:		
Finished goods	71.01	75.11
Work-in-progress	60.41	79.68
	131.42	154.79
Inventories at the beginning of the year:		
Finished goods	75.11	55.31
Work-in-progress	79.68	70.63
	154.79	125.94
Net (increase) / decrease	23.37	(28.85)

Notes forming part of financial statements

25 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
Salaries and wages	99.14	89.26
Contributions to provident and other funds	8.36	11.80
Staff welfare expenses	5.49	5.34
Total	**112.99**	**106.40**

26 FINANCE COSTS

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
Interest Expenses on borrowings	226.30	137.56
Other Borrowing Costs	11.08	6.93
Total	**237.38**	**144.49**

27 OTHER EXPENSES

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
Consumption of stores and spare parts	131.62	134.91
Increase / (decrease) of excise duty on inventory	(2.07)	2.78
Power and fuel	74.96	93.82
Rent including lease rentals (Refer Note 30.4)	3.85	3.19
Repairs and maintenance - Buildings	0.76	0.53
Repairs and maintenance - Machinery	1.14	3.12
Repairs and maintenance - Others	0.60	0.37
Insurance	3.33	2.86
Rates and taxes	0.61	0.39
Travelling and conveyance	12.14	19.94
Sales commission	41.00	34.86
Donations and contributions	0.17	0.18
Payments to auditors (Refer Note below)	0.90	0.90
Net loss on foreign currency transactions and translation (other than considered as finance cost)	–	1.10
Provisions for Doubtful Debts and Loans and Advances	2.83	0.88
Loss on sale/discarding of fixed assets	7.73	–
General Expenses	44.77	42.43
Total	**324.34**	**342.26**
Payments to the auditors comprises (net of service tax input credit):		
(i) As Auditor- Statutory audit	0.54	0.52
(ii) For taxation matters	0.12	0.31
(iii) For other services (including quarterly limited review, certifications, etc.)	0.21	0.06
(iv) For reimbursement of expenses	0.03	0.01
Total	**0.90**	**0.90**

Notes forming part of financial statements

28 EXCEPTIONAL ITEMS

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
Net Foreign Exchange (Gain) /Loss on long term Foreign Currency Monetary Items (amortisation)	16.06	90.35
Total	**16.06**	**90.35**

Note:

Due to unusual and steep depreciation in the value of the Rupee, the unrealised exchange loss (net) has been considered by the Company to be of exceptional in nature. The unrealised exchange Gain / (Loss) refers to the Gain / (Loss) arising out of the restatement of the foreign currency monetary assets and liabilities (other than borrowings related to fixed assets).

29

Particulars	2013-14 (₹ in crores)	2012-13 (₹ in crores)
29.1 Contingent liabilities in respect of :-		
a) Amount of claims of certain retrenched employees for re-instatement with back wages	NIL	Amount not ascertained
b) Corporate guarantees given to Financial Institution/Bank on Behalf of a Subsidiary	5.00	16.56
c) Disputed demand not acknowledged as debt against which the Company has preferred appeal		
- Income tax *	5.94	13.64
- Sales Tax/VAT	2.72	2.62
- Service Tax *	4.04	2.28
Amount deposited with the Authority for the above Service Tax Demand ₹4.04 Crore (Previous Year - ₹2.28 Crore)		
* The amount deposited with the authority in respect of above income tax and service tax demands are ₹5.94 crore (previous year ₹13.64 crore) and ₹4.04 crores (previous year ₹2.28 crore), respectively. The dispute of service tax relates to CENVAT eligibility on taxes paid for procurement of services		
29.2 Estimated amount (net of advances) of contracts remaining to be executed on capital accounts and not provided for	1,589.01	10.00

29.3 A Scheme of Arrangement (the "Scheme") between the Company and its equity Shareholders was approved by the Board of Directors vide its resolution dated 30th June, 2008, by the Shareholders in their Court convened meeting held on 15th September, 2008 and by the Honourable High Court of Gujarat vide its order dated 25th March, 2009. The Appointed Date of the Scheme was 1st April, 2008. The Company filed the Order with the Registrar of Companies, Gujarat on 14th April, 2009 within the time specified in the order and the Scheme had been given effect in the financial statement for the financial year ended on 31st March, 2010. 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 ₹0.80 crore (previous year ₹5.16 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 significant impact on the profit for the year, as per the Scheme.

29.4 On 26th March 2014, the company has sold / transferred investment (carrying amount ₹111 crore) in equity shares of Zep Infratech Limited, a wholly owned subsidiary, and unsecured loan of ₹69.92 crore to the said subsidiary, for a consideration of ₹183 crore to Khadayata Décor Limited (Khadayata) out of which ₹182.95 crore is received in form of 3,659 4% Secured Debentures of ₹.500,000 each issued by Khadayata. The said debentures are redeemable on 25th March 2018 at a premium of 140%.

Notes forming part of financial statements

29.5 On 28th November, 2012, the Company issued 7.50 per cent Step Down Convertible Bonds (with an average yield to maturity 5.25%) aggregating to US $ 140 million (₹779.90 crore as on 31st March, 2014) to repurchase or repay the outstanding principal and premium on redemption on the 2008 FCCBs, in accordance with applicable Indian laws and regulations.

As per the terms & condtions of the Offering Circular dated 16th November, 2012, the bondholders have an option to convert these bonds into Equity Shares determined at an initial conversion price of ₹75.60 per equity share with a fixed rate of exchange on conversion of ₹54.959 per US $ 1.00, at any time on or after 8th January, 2013 up to the close of business on 19th November, 2017.

The Bonds may be redeemed, in whole but not in part, at the option of the Company at any time on or after 28th May, 2015 and on or prior to 23rd October, 2017 subject to satisfaction of certain conditions. Unless previously converted, redeemed or purchased and cancelled, the bonds fall due for redemption on 29th November, 2017 at 100 per cent of their principal amount together with accrued interest , if any, calculated in accordance with the terms & conditions. Up to 31st March, 2014, none of the Bonds have been converted into equity shares.

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

Particulars	31st March, 2014 (₹ in crores)	31st March, 2013 (₹ in crores)
Principal amount remaining unpaid to any supplier as at the year end	3.53	1.89
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	-	-
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 Micro, Small and Medium Enterprise Act 2006 and the above mentioned disclosures are made under Note 9 "Trade Payables". The above information has been determined to the extent such parties have been identified by the Company on the basis of information collected by the parties, which has been relied upon by the auditors.

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

Name of the Company	Relationship	As At 31st March,2014 (₹ In crores)	As At 31st March,2013 (₹ In crores)	Maximum Balance during the Year (₹ In crores)	Maximum Balance During 2012-13 (₹ In crores)
Zep Infratech Ltd.	Wholly Owned Subsidiary Upto 26-March-2014	–	43.83	69.92	43.83
Sintex Infra Projects Ltd.	Wholly Owned Subsidiary	258.59	89.46	258.59	89.46
Bright AutoPlast Ltd.	Wholly Owned Subsidiary	100.36	90.97	100.36	90.97
Refer note below)					

Note:

Rate of Interest is below the interest rate stipulated under Section 372A of the Companies Act, 1956. The provisions of Section 372A of the Companies Act, 1956 do not apply to the aforesaid loan to wholly owned subsidiary.

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.

Notes forming part of financial statements

29.8 The Company has entered into forward exchange contracts or principal only swap which are in substance of forward exchange contracts, not intended for trading or speculation purposes. The outstanding position of forward exchange contracts to hedge company's risk associated foreign currency cash flows are as under:

Nature	Purpose	As at 31st March, 2014 (₹ in crores)	As at 31st March, 2013 (₹ in crores)
Principal only swap	Hedging of ECB	217.56	217.56
Forward cover	Hedging of FCCB	–	163.17
		217.56	**380.73**

The details of foreign currency exposures not hedged by derivative instruments as at 31st March, 2014 and 31st March, 2013 are as under:

Nature	As at 31st March, 2014 (₹ in crores)	As at 31st March, 2013 (₹ in crores)
Import Creditors	5.84	1.73
Export Debtors	5.37	5.32
Foreign Currency Loans (Including FCCBs)	1,345.04	598.28
	1,356.25	**605.33**

29.9 Value of Import on CIF Basis in respect of :

Particulars	2013-14 (₹ in crores)	2012-13 (₹ in crores)
a) Capital Goods	13.49	4.20
b) Raw Material	7.73	3.05
c) Components and Spare Parts (Repairs)	2.65	6.45

29.10 Expenditure in Foreign Currency :

Particulars	2013-14 (₹ in crores)	2012-13 (₹ in crores)
a) Travelling Expenses	0.23	3.39
b) Commission	0.42	0.42
c) Royalty Expense	0.53	0.21
f) Professional Fees	0.02	0.00

29.11 Details of imported and indigenous raw materials, stores and spare parts consumed

Particulars	2013-14		2012-13	
	Amount (₹ in crores)	Percentage	Amount (₹ in crores)	Percentage
Raw materials				
Imported	7.73	0.38%	3.05	0.16%
Indigenous	2,048.79	99.62%	1958.14	99.84%
	2,056.52	**100.00%**	**1961.19**	**100.00%**
Stores and spare parts				
Imported	2.65	2.01%	5.44	4.03%
Indigenous	128.97	97.99%	129.47	95.97%
	131.62	**100.00%**	**134.91**	**100.00%**

29.12 Earnings in Foreign Currency :

Particulars	2013-14 (₹ in crores)	2012-13 (₹ in crores)
FOB Value of Direct Export	38.50	36.55

Notes forming part of financial statements

30 DISCLOSURES UNDER ACCOUNTING STANDARDS

30.1 Employee benefit plans

30.1.a Defined contribution plans

The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹5.69 Crores (Year ended 31st March, 2013 ₹5.40 crores) for Provident Fund contributions and ₹0.73 Crores(Year ended 31st March, 2013 ₹0.94 Crore) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

30.1.b Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

i. Gratuity (Funded through annual payment to Life Insurance Corporation of India)
ii. Compensated Absences (Unfunded)

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements: (₹ in crores)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Components of employer expense				
Current service cost	1.50	0.91	1.43	0.78
Interest cost	1.55	0.69	1.40	0.62
Expected return on plan assets	(1.07)	–	(1.04)	–
Actuarial losses/(gains)	(0.04)	(0.49)	1.13	0.30
Total expense recognised in the Statement of Profit and Loss	**1.94**	**1.11**	**2.92**	**1.70**
Actual contribution and benefit payments for year				
Actual benefit payments	–	1.05	–	0.36
Actual contributions	0.94	–	0.92	–
Net asset / (liability) recognised in the Balance Sheet				
Present value of defined benefit obligation	20.76	8.92	19.94	8.86
Fair value of plan assets	12.06	–	12.24	–
Funded status [Surplus / (Deficit)]	–	–	–	–
Unrecognised past service costs	–	–	–	–
Net asset / (liability) recognised in the Balance Sheet	**(8.70)**	**(8.92)**	**(7.70)**	**(8.86)**

30.1.c (₹ in crores)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Change in defined benefit obligations (DBO) during the year				
Present value of DBO at beginning of the year	19.94	8.86	16.98	7.52
Current service cost	1.50	0.91	1.43	0.78
Interest cost	1.55	0.69	1.40	0.62
Actuarial (gains) / losses	(0.04)	(0.49)	1.15	0.30
Benefits paid	(2.19)	(1.05)	(1.02)	(0.36)
Present value of DBO at the end of the year	20.76	8.92	19.94	8.86

Notes forming part of financial statements

30.1.c *(Contd...)*

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Gratuity	Compensated Absences	Gratuity	Compensated Absences
Change in fair value of assets during the year				
Plan assets at beginning of the year	12.24	–	11.25	–
Acquisition adjustment	0.00	–	0.03	–
Expected return on plan assets	1.07	–	1.04	–
Actual company contributions	0.94	–	0.92	–
Actuarial gain / (loss)	(0.00)	–	0.02	–
Benefits paid	(2.19)	–	(1.02)	–
Plan assets at the end of the year	12.06	–	12.24	–
Actual return on plan assets	1.07		1.06	
Composition of the plan assets is as follows:				
LIC of India	100%	–	100%	–
Actuarial assumptions				
Discount rate	9.10%	9.10%	8.25%	8.25%
Expected return on plan assets	8.76%	N.A.	9.25%	N.A.
Salary escalation	6.00%	6.00%	5.50%	5.50%
Withdrawal Rates	3% at younger ages reducing to 1% at older ages			
Mortality tables	LIC (1994-96) published table of mortality rates			
Acturial Valuation Method	Projected Unit Credit Method			
Estimate of amount of contribution in the immediate next year	2.41	Not Applicable	2.06	Not Applicable

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

30.1.d Experience adjustments

Gratuity	2012-13	2011-12	2010-11	2009-10
	(₹ in crores)	(₹ in crores)	(₹ in crores)	(₹ in crores)
Present value of DBO	19.94	16.98	16.93	15.26
Fair value of plan assets	12.24	11.25	9.77	9.27
Funded status [Surplus / (Deficit)]	–	–	–	–
Experience gain / (loss) adjustments on plan liabilities	–	–	–	–
Experience gain / (loss) adjustments on plan assets	–	–	–	–
Net Asset/(Liability) at the end of the year	**(7.70)**	**(5.73)**	**(7.16)**	**(5.99)**

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

Notes forming part of financial statements

30.3 Related Party Transactions:

30.3.a Names of related parties and description of relationship :

Sr. No.	Nature of Relationship	Name of Related Parties
1	Associate	Zillion Infra Projects Pvt.Ltd.
2	Key Management Personnel	Shri Dinesh B. Patel, Chairman
		Shri Arun P. Patel, Vice-chairman
		Shri Rahul A. Patel, Managing Director (Group)
		Shri Amit D. Patel, Managing Director (Group)
		Shri S.B.Dangayach, Managing Director
3	Subsidiaries	Sintex Holdings B.V.
		Bright Auto Plast Limited
		Sintex Infra Projects Limited
		Amerange Inc. (Up to 29th August 2013)
		Zep Infratech Ltd. (Up to 26th March 2014)
		Sintex Wausaukee Composites Inc.
		Sintex France SAS
		Sintex Industries UK Ltd.
		Sintex Austria B.V.
		Southgate Business Corp.
		Wasaukee Composites Inc.- Owosso, Inc.
		WCI Wind Turbine Components, LLC.
		Sintex NP 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
		NP Jura
		AIP SAS
		NP Poschman
		Cuba City Real Estate LLC
		Owosso Real Estate LLC
		NP Polska
		SICMO SAS
4	Enterprises over which Key Managerial Personnel are able to exercise significant influence/control	Som Shiva (Impex) Ltd.
		Atik Land Developers Pvt. Ltd.
		Sintex International Ltd.
		Prominent Plastic Ltd.
		BVM Finance Pvt.Ltd.

Notes forming part of financial statements

30.3 b (i) Transactions during the year with related parties :

(₹ in crores)

Sr. No.	Nature of Transaction	Nature of Relationship: Associates	Subsidiaries	Entities over KMP excercise significant influence/control	Key Management Personnel	Total
1	Purchase of goods/services	–	2.16	9.59	–	11.75
		–	–	–	–	–
2	Sale of goods/services	–	1.31	0.10		1.41
		–	(10.00)	–	–	(10.00)
3	Interest Income	–	26.66	26.29	–	52.95
		–	(6.84)	–	–	(6.84)
4	Rent Expense	–	0.24	0.42	–	0.66
		–	(0.24)	(0.42)	–	(0.66)
5	Managerial remuneration	–	–	–	10.97	10.97
		–	–	–	(10.91)	(10.91)
6.a	Unsecured Loan/Advance given	–	309.92	–	–	309.92
		–	(135.06)	–	–	(135.06)
6.b	Unsecured Loan/Advance repaid	–	16.41	–	–	16.41
		–	(35.73)	–	–	(35.73)
7	Sale of Equity Investment	–	115.00	–	–	115.00
	in the Subsidiary	–	–	–	–	–
8	Investment in Equity Shares	–	–	–	–	–
		–	(100.00)	–	–	(100.00)

30.3 b (ii) Balance as at 31st March, 2014:

(₹ in crores)

Sr. No.	Nature of Transaction	Nature of Relationship: Associates	Subsidiaries	Entities over KMP excercise significant influence/control	Key Management Personnel	Total
1	Current Liabilities	–	–	14.68	6.75	21.43
		–	(0.21)	(14.74)	(3.75)	(18.70)
2	Sundry Debtors	–	0.51	2.05	–	2.56
		–	–	(0.59)	–	(0.59)
3	Investments	–	818.88	8.69	–	827.57
	[refer note 13]	–	(929.88)	(8.69)	–	(938.57)
4	Loans & Advances	–	474.91	52.19	–	527.10
	(including Capital Advance)	–	(224.26)	(50.00)	–	(274.26)
5	Other Current Asset	–	–	26.29	–	26.29
	[refere note 30.3 ('c)(4)]	–	–	–	–	–
6	Outstanding Corporate Guarantee given to Financial	–	5.00	–	–	5.00
	Institution for Bright AutoPlast *	–	(15.00)	–	–	(15.00)

* Corporate Guarantee given to a financial institution for subsidiary viz. Bright Auto Plast Ltd. is of ₹50 Crores (Previous Year- ₹50 Crores)

Previous Year Figures in the above table [30.3.b (i) and (ii)] are mentioned in Bracket.

Notes forming part of financial statements

30.3.c Disclosure of Material Related Party Transactions during the year and Balance outstanding :

1) Purchase of goods/services include purchase from Sintex Infra Projects Ltd. ₹2.16 crore (Previous Year ₹ Nil). Balance payable for such goods / services as on 31st March 2014 ₹0.96 Crore (Previous Year ₹0.21 Crore)

2) Purchase of goods/services include purchase from (a) Som Shiva (Impex) Ltd. ₹9.59 crore (Previous Year ₹ Nil). Balance as on 31st March 2014 ₹0.55 Crore (Previous Year ₹0.64 Crore) and (b) Sintex International Ltd. ₹ Nil (previous year ₹ Nil). Balance as on 31st March 2014 ₹14.13 Crore (Previous year ₹14.13 Crore)

3) Sale of goods/services include sale to (i) Sintex Infra Projects Ltd. ₹0.92 Crore (Previous Year ₹10 Crore) Balance as on 31st March 2014 ₹0.32 Crore (Previous Year ₹0.21 Crore), (ii) Bright Auto Plast Ltd ₹0.35 Crore (Previous Year ₹ Nil). Balance as on 31st March 2014 ₹0.15 Crore (Previous Year ₹0.001 Crore), (iii) Zep Infratech Ltd ₹0.04 Crore (Previous Year ₹ Nil). Balance as on 31st March 2014 ₹0.04 Crore (Previous Year ₹ Nil), (iv) Som Shiva (Impex) Ltd. ₹0.10 Crore (Previous Year ₹ Nil) Balance as on 31st March 2014 ₹1.58 Crore (Previous Year ₹ Nil) and (v) Sintex International Ltd ₹0.01 Crore (Previous Year ₹ Nil) Balance as on 31st March 2014 ₹0.47 Crore (Previous Year ₹0.59 Crore)

4) Interest Income mainly include Interest from Zep Infratech Ltd ₹5.48 Crore (Previous Year ₹2.50 Crore), Sintex Infra Projects Ltd ₹16.47 Crore (Previous Year ₹ Nil), Bright Auto Plast Ltd. ₹4.71 Crore (Previous Year ₹4.34 Crore) and Atik Land Developers Pvt Ltd. ₹26.29 Crore (Previous Year ₹ Nil)

5) Rent Expense include payment to Prominent Plastic Ltd ₹0.42 Crore (Previous Year ₹0.42 Crore) and Zep Infratech Ltd ₹0.24 Crore (Previous Year ₹0.24 Crore). The Net Balance outstanding receivable / payable to Prominent was ₹ Nil (Previous Year ₹ Nil) and net receivable / payable from Zep Infratech Ltd. was ₹ Nil (Previous Year ₹ Nil) as on 31st March 2014.

6) Managerial Remuneration include remuneration to Shri Dinesh B. Patel ₹ Nil (Previous Year ₹1.97 crore), Shri Arun P. Patel ₹ Nil (Previous Year ₹1.96 crore), Shri Rahul A. Patel ₹4.53 crore (Previous Year ₹2.56 crore), Shri Amit D. Patel ₹4.58 crore (Previous Year ₹2.56 crore), Shri S B Dangayach ₹1.86 crore (Previous Year ₹1.86 crore).

7) Sale of Investment include divestment of Zep Infratech Ltd. ₹111 Crore (Previous Year ₹ Nil). (Refer Note 29.4)

8) Long Term Loans and Advance include amount paid to Sintex Infra Project Limited ₹290.57 Crore which includes capital advance of ₹115 Crore (Previous Year Loan of ₹89.89 Crore) and Bright Auto Plast Ltd. ₹19.35 Crore (Previous Year ₹ Nil)

9) Loan returned during the year by Sintex Infra Projects Ltd. ₹6.45 Crore (Previous Year ₹19.50) Crore and by Bright Auto Plast Ltd. ₹9.96 Crore (Previous Year ₹0.40 Crore). The Loan Balance outstanding for Sintex Infra Projects Ltd. was ₹373.59 crore (Previous year ₹89.46 Crore) and Bright Auto Plast Ltd. was ₹100.36 Crore (Previous Year ₹90.97 Crore) as on 31st March 2014. Loan amounting to ₹69.92 (Previous Year ₹43.83 Crore) of Zep Infratech Ltd. adjusted against the sale consideration in the form of Secured Debenture.

30.4. Leases

Operating Lease

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

Particulars	2013-14 (₹ in crores)	2012-13 (₹ in crores)
Residential accommodation for employees	2.72	2.64

The lease agreements are executed for a period of 12 months with a renewal clause.

Notes forming part of financial statements

30.5. Earnings Per Share (EPS) •The numerators and denominators used to calculate Basic and Diluted Earnings Per Share

Particulars		2013-14	2012-13
Basic Earnings Per Share before Extra Ordinary Items :			
Profit attributable to the Shareholders (₹ in crore)	A	335.06	269.19
Weighted average number of Equity Shares outstanding during the year	B	311186980	284600467
Nominal value of Equity Shares (₹)		1.00	1.00
Basic Earnings Per Share (₹)	A/B	**10.77**	**9.46**
Diluted Earnings Per Share before Extra Ordinary Items:			
Profit attributable to the Shareholders (₹ in crore)	A	335.06	269.19
Weighted average number of Equity Shares outstanding during the year	B	311186980	285137520
Nominal value of Equity Shares (₹)		1.00	1.00
Diluted Earning Per Share (₹)	AIB	**10.77**	**9.46**
		No.of Shares	No.of Shares
Weighted average number of Equity Shares outstanding during the year for Basic EPS		311186980	284600467
Add: Dilutive potential Equity Shares'		0	537053
Weighted average number of Equity Shares outstanding during the year for Dilutive EPS		311186980	285137520

• In computation of diluted EPS, the impact of dilution on account of potential conversion of FCCBs, preferential share warrants and ESOPs have not been considered as the same are anti-dilutive.

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

Nature	As at 31st March, 2014 (₹ in crores)	As at 31st March, 2013 (₹ in crores)
Deferred Tax Liability		
Difference between book and tax depreciation	319.80	278.90
TOTAL	319.80	278.90
Deferred Tax Asset		
Disallowances under Income Tax	(6.67)	(6.97)
Provision for doubtful debts & advances	(1.70)	(0.90)
TOTAL	(8.37)	(7.87)
Deferred Tax Liability (Net)	311.43	271.03

31 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 24th February, 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 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 gave 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 21st August, 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) On 27th October, 2010, 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,

iv) During the year, 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 Members of the Company in their meeting held on September 17, 2012 have approved the extension of exercise period of the Scheme from 2 years to 4 years.

The details of outstanding options are as under:

Particulars	2013-14	2012-13
Options outstanding as at beginning of the year	1923000	1923000
Add: Options granted during the year	Nil	Nil
Less: Options exercised during the year	Nil	Nil
Less: Options forfeited during the year	Nil	Nil
Options outstanding at the end of the year	1923000	1923000

32 The previous year figures have been regrouped / re-classified to conform to the current year's classification.

Signature to Notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

Dinesh B. Patel *Chairman*
Arun P. Patel *Vice Chairman*
Amit D. Patel *Managing Director (Group)*
S.B. Dangayach *Managing Director*

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

For Deloitte Haskins & Sells
Chartered Accountants

Samir R. Shah
Partner
Membership No. 101708

Ahmedabad
Date : May 8, 2014

Hitesh T Mehta
Company Secretary

Ahmedabad
Date : May 8, 2014

Independent Auditors' Report

To the Board of Directors of
Sintex Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SINTEX INDUSTRIES LIMITED (the "Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on the financial statements/ financial information of the subsidiaries and an associate referred to below in the Other Matter paragraph and read together with our remark in point (b) under the Other Matter Paragraph with respect to the management accounts of certain subsidiaries considered for making necessary adjustments to derive the financial information for the purpose of consolidation, the aforesaid 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 31st March, 2014;

(b) in the case of the Consolidated Statement of Profit and Loss, 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.

Emphasis of Matter

We draw attention to Note 30.3 to these consolidated financial statements, regarding the Scheme of Arrangement (the "Scheme") approved by the Honourable High Court of Gujarat on 25th March, 2009. As per the Scheme, the Company earmarked ₹200 crore from Securities Premium Account to International Business Development Reserve Account (the "IBDR") in the year 2008-09 and adjusted against the IBDR the expenses of the nature specified under the Scheme amounting to ₹198.11 crore up to 31st March, 2014 (₹197.31 crore up to 31st March, 2013). The said accounting treatment has been followed as prescribed under the Scheme. The relevant Indian Generally Accepted Accounting Principles, in absence of such Scheme, does not permit the adjustment of such expenses against the Securities Premium Account / IBDR. Had the Company accounted for these expenses as per Generally Accepted Accounting Principles in India, the balance of Securities Premium Account would have been higher by ₹198.11 crore as at 31st March, 2014 (₹197.31 crore as at 31st March, 2013) and consolidated profit after tax would have been lower by ₹0.80 crore for the year ended on 31st March, 2014 (₹5.16 crore for the previous year ended on 31st March, 2013) and the Surplus in Consolidated Statement of Profit and Loss would have been lower by ₹198.11 crores.

Our opinion is not qualified in respect of this matter.

Other Matters

(a) We did not audit the financial statements / financial information of certain subsidiaries including entities which ceased to be subsidiaries during the year, whose financial statements / financial information reflect total assets (net) of ₹1,299.02 crore as at 31st March, 2014, total revenues of ₹701.05 crore and net cash inflows amounting to ₹41.33 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹1.29 crore for the year ended 31st March, 2014, as considered in the consolidated financial statements, in respect of an associate, whose financial statements / financial information for the year ended 31st March, 2014 have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and the associate, is based solely on the reports of the other auditors.

(b) We also did not audit the financial statements / consolidated financial statements of certain subsidiaries whose financial statements / consolidated financial statements for the year ended 31st December, 2013 have been audited by other auditors whose reports have been furnished to us. The financial information of the said subsidiaries for the year ended 31st March, 2014, as considered in the consolidated financial statements, has been derived by making adjustments based on the management accounts approved by the board of directors of the respective subsidiaries, to the financial information as per the aforementioned audited financial statements/ consolidated financial statements for the year ended 31st December, 2013. The financial information so derived of the said subsidiaries reflect total assets (net) of ₹1,280.65 crore as at 31st March, 2014, total revenues of ₹1,520.72 crore and net cash inflows amounting to ₹25.97 crore for the year ended on that date, as considered in the consolidated financial statements. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on reports of the other auditors and the aforementioned management accounts.

Our opinion is not qualified in respect of these matters.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No.117365W)

Samir R Shah
Partner
(Membership No.101708)

May 8, 2014
AHMEDABAD,

Consolidated Balance Sheet as at March 31, 2014

Particulars	Note No.	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share capital	3	31.12	31.12
b) Reserves and surplus	4	3,484.43	3,065.57
c) Money received against share warrants	5	28.31	28.31
		3,543.86	3,125.00
2 Non-current liabilities			
a) Long-term borrowings	6	3,210.39	2,459.52
b) Deferred tax liabilities (net)	31.5	335.83	290.62
c) Other long-term liabilities	7	62.34	146.76
d) Long-term provisions	8	15.05	15.20
		3,623.61	2,912.10
3 Current liabilities			
a) Short-term borrowings	9	608.97	1,020.67
b) Trade payables	10	822.43	587.64
c) Other current liabilities	11	388.74	368.42
d) Short-term provisions	12	107.92	94.39
		1,928.06	2,071.12
TOTAL		9,095.53	8,108.22
B ASSETS			
1 Non-current assets			
a) Fixed assets			
i) Tangible assets	13A	3,494.79	2,768.10
ii) Intangible assets	13B	120.05	131.35
iii) Capital work-in-progress		125.50	359.69
		3,740.34	3,259.14
b) Goodwill on Consolidation		186.49	215.73
c) Non-current investments	14	248.66	70.50
d) Deferred tax assets (net)	31.5	6.95	2.71
e) Long-term loans and advances	15	1,691.95	1,016.21
f) Other non-current assets	16	46.66	23.45
		5,921.05	4,587.74
2 Current assets			
a) Current investments	17	57.13	59.82
b) Inventories	18	451.10	453.10
c) Trade receivables	19	2,078.46	1,780.59
d) Cash and bank balances	20	271.98	890.19
e) Short-term loans and advances	21	217.95	281.22
f) Other current assets	22	97.86	55.56
		3,174.48	3,520.48
TOTAL		9,095.53	8,108.22

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Samir R. Shah
Partner
Membership No. 101708

Ahmedabad
Date : May 8, 2014

Dinesh B. Patel *Chairman*
Arun P. Patel *Vice Chairman*
Amit D. Patel *Managing Director (Group)*
S.B. Dangayach *Managing Director*

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

Hitesh T Mehta
Company Secretary

Ahmedabad
Date : May 8, 2014

Consolidated Statement of Profit and Loss Account for the year ended at March 31, 2014

Particulars	Note No.	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
1 Revenue from operations (gross)	23	5,979.05	5,212.29
Less: Excise duty/ Service Tax		136.43	132.85
Revenue from operations (net)		5,842.62	5,079.44
2 Other income	24	99.28	114.40
3 Total revenue (1+2)		5,941.90	5,193.84
4 Expenses			
(a) Cost of materials consumed	25.a	3,396.04	2,903.30
(b) Purchases of stock-in-trade	25.b	154.21	157.38
(c) Changes in inventories of finished goods and work-in- progress	25.c	9.84	(39.68)
(d) Employee benefits expense	26	633.05	590.23
(e) Finance costs	27	289.38	172.64
(f) Depreciation and amortisation expense	13.C	254.76	205.37
(g) Other expenses	28	707.13	727.16
Total expenses		5,444.41	4,716.40
5 Profit before exceptional items and tax (3 - 4)		497.49	477.44
6 Exceptional items	29	16.06	90.35
7 Profit before tax (5 - 6)		481.43	387.09
8 Tax expense:			
(a) Current tax expense		112.10	78.20
(b) (Less): MAT credit entitlement		(39.88)	(62.10)
(c) Short/ (excess) provision for tax relating to prior years		4.83	1.06
(d) Net current tax expense		77.05	17.16
(e) Deferred tax (Refer Note 30.5)		40.98	49.77
		118.03	66.93
9 Profit after tax before Share of Profit of Associate (7 - 8)		363.40	320.16
10 Share of Profit of Associate		1.29	3.59
11 Profit for the year (9 + 10)		364.69	323.75
12 Earnings per share (of ₹1/- each):	31.4		
(a) Basic (In ₹)		11.72	11.38
(b) Diluted (In ₹)		11.72	11.35

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells
Chartered Accountants

Samir R. Shah
Partner
Membership No. 101708

Ahmedabad
Date : May 8, 2014

Dinesh B. Patel *Chairman*
Arun P. Patel *Vice Chairman*
Amit D. Patel *Managing Director (Group)*
S.B. Dangayach *Managing Director*

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

Hitesh T Mehta
Company Secretary

Ahmedabad
Date : May 8, 2014

Consolidated Cash Flow Statement for the year ended at March 31, 2014

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax		481.43	387.09
Adjustments for :			
Profit on sale of fixed assets & Investments	0.82		(4.03)
Discount on prepayment of FCCB	–		(21.27)
Unrealised Foreign Exchange (Gain)/Loss (Net)	(3.60)		(4.90)
Exceptional Items	16.06		90.35
Interest Income	(75.34)		(45.70)
Dividend Income	(0.02)		(0.05)
Depreciation and amortization expense	254.76		205.37
Finance Cost	289.38		172.64
Provision for Doubtful debts and advances	7.34		1.22
		489.40	393.63
Operating profit before working capital changes		970.83	780.72
Adjustments for Increase/(Decrease) in Operating assets/liabilities			
Trade and other receivables	(281.92)		(538.34)
Inventories	2.00		(57.59)
Trade and Other payables	158.95		285.59
		(121.00)	(310.34)
Cash generated from operations		849.83	470.38
Direct taxes paid (Net)		(138.27)	(119.17)
Net cash generated from Operating Activities - (A)		711.56	351.21
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	(1,289.82)		(439.98)
Sale of fixed assets	86.40		6.13
(Purchase)/ Sale of current Investments	9.27		15.55
Fixed deposits with banks realized	11.46		481.41
Interest received	6.41		45.08
Dividend received	0.02		0.05
Net cash used in Investing Activities - (B)		(1,176.26)	108.24
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Equity Shares and Share Warrants	–		296.92
Proceeds from Long Term borrowings	808.36		599.39
Repayment of Long Term borrowings	(173.74)		(136.78)
Prepayment/Redemption of FCCB (including Premium)	–		(1,547.73)
Proceeds from new FCCB (Net of Expenses)	–		737.95
Net increase/(decrease) in working capital borrowings	(411.70)		489.49
Finance Cost	(336.52)		(225.06)
Dividend paid	(25.47)		(20.53)
Net cash used in Financing Activities - (C)		(139.07)	193.65
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(603.77)	653.10
Cash and cash equivalents at the beginning of the year		878.11	227.12
Effect of exchange differences on Restatement of Foreign Currency Cash and Cash Equivalents		(2.98)	(2.11)
Cash and cash equivalents at the end of the year		271.36	878.11

Consolidated Cash Flow Statement for the year ended at March 31, 2014 *(contd...)*

Notes:

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
1 Cash and bank balances at the end of the year comprises:		
Cash on hand	0.21	0.43
Cheques, draft on hand	4.50	2.03
Current Accounts with banks	200.30	528.98
In Bank deposits with upto 3 months maturity	66.35	346.67
Total	**271.36**	**878.11**

2. The Cash Flow Statement has been prepared under the “Indirect Method” as set out in Accounting Standard -3 on Cash Flow Statement .
3. The previous year’s figures have been regrouped wherever necessary to make them comparable with Current year’s figures.
4. Non-Cash transaction: The Company received secured non convertible debentures against sale of its equity state in its subsidiary together with the loan balance outstanding [refer note no.30.4.(a)]

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Samir R. Shah
Partner
Membership No. 101708

Ahmedabad
Date : May 8, 2014

For and on behalf of the Board of Directors

Dinesh B. Patel *Chairman*
Arun P. Patel *Vice Chairman*
Amit D. Patel *Managing Director (Group)*
S.B. Dangayach *Managing Director*

Ramnikbhai H.Ambani *Director*
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Indira J Parikh *Director*
Dr. Rajesh B Parikh *Director*
Dr. Lavkumar Kantilal Shah *Director*

Hitesh T Mehta
Company Secretary

Ahmedabad
Date : May 8, 2014

Notes forming part of financial Consolidated statements

1 CORPORATE INFORMATION

Sintex Industries Limited (SIL), the flagship company of Sintex group is one of the leading manufacturers of plastics and composites along with a strong presence in structured fabrics in India. The Company is headquartered in Kalol (Gujarat) and enjoys a pan-India presence through 13 manufacturing facilities in India. Besides, its operations are spread across 11 countries in four continents through 32 manufacturing facilities and 25 global subsidiaries, which mainly includes Sintex Wasaukee Composites Inc., USA (100% stake) &its subsidiaries and Sintex NP SAS, a French company (100% stake) & its subsidiaries.

2 SIGNIFICANT ACCOUNTING POLICIES

I. a) Basis of accounting and preparation of financial statements

The consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/ 2013 Act, as applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

b) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

II. Principles of Consolidation:

The consolidated financial statements pertain to Sintex Industries Limited ("the Company" / "the Parent" / "the Holding Company"), its subsidiary companies and group's share of profit/loss in its associate. The Company and its subsidiaries constitute "the Group" as detailed in note no. 30.7.

The financial statements of the subsidiaries and associate are drawn upto the same reporting date as that of the Holding Company I.e. year ended 31st March 2014.

These consolidated financial statements have been prepared on the following basis:

a) 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 unless cost cannot be recovered in accordance with Accounting Standard-21 - "Consolidated Financial Statements"

b) 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.

c) In case of foreign subsidiaries, being non-integral foreign operations, 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 ".

d) 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.

e) 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.

f) 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.

g) 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".

Notes forming part of financial Consolidated statements

h) 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 Statement of Profit and Loss to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance, based on available information.

i) 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.

III) Investments other than in subsidiaries and associates are accounted as per Accounting Standard-13 on "Accounting for Investments"

IV) Other Accounting Policies

a) Fixed Assets (Tangible/Intangible)

Fixed assets are carried at cost less accumulated depreciation / amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress: Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest including exchange difference.

In one of the overseas subsidiary, the tangible Fixed Assets are valued at their cost of acquistion or original cost price, disregarding any financial cost.

Fixed assets retired from active use and held for sale are stated at the iower of their net book value and net realisable value are disclosed separately.

b) Impairment of Assets

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

An impairment loss is recognised in the Statement of Profit and Loss if the carrying amount of an asset exceeds its recoverable amount.

c) Depreciation and amortisation

Depreciation on Buildings and Plant and Machinery is provided on a straight line basis applying the rates specified in Schedule XIV to the Companies Act, 1956 or rates based on estimated useful life whichever is higher. The details of estimated life for each of category is as under:

Buildings - 15 to 30 years; Technical installations, materials &equipments - 4 to 11 years;

In respect of other tangible assets viz. Furniture, Office equipments, Vehicals, etc. the depreciation is calculated on written down value basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 except in respect of Oversease subsidiaries, the other assets depreciation is provided on straightline basis based on the estimated useful life of the asset which is at the rate higher than the specified in Schedule XIV of the Companies Act, 1956 as under: Furniture - 3 to 10 years; Office and Information Technolgy Equipment - 3 to 10 years; Transportation Equipment - 4 to 5 years; General Installation and Improvement - 5 to 10 years.

Notes forming part of financial Consolidated statements

In respect of intangible asset the depreciation rates are as under:

(i) technical knowhow is amortised over 5 to 20 years; (ii) software over a period of 5 years and (iii) acquired goodwill is amortised over 5 to 15 years

The depreciation charge in respect of other tangible assets and intangibles is not significant to the context of the consolidated financial statements.

d) Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

e) 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.

f) Inventories

Items of Inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, traded goods and stores and spares are ascertained on weighted average basis (except for two foreign subsidiaries which are on FIFO basis). Costs, including variable and fixed overheads, are allocated to finished goods and work-in-progress determined on full absorption cost basis.

g) Revenue Recognition

Revenue is recognized 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 but does not include other recoveries such as handling charges, transport, octroi, etc.

Revenues from service contracts are recognised when services are rendered and related costs are incurred.

h) Foreign Currency Transactions/ Translation

a) Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year- end rates. Non-monetary items of the Company are carried at historical cost.

b) Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

c) The Company, at a standalone level, has elected to account for exchange differences arising on reporting of long-term foreign currency monetary items in accordance with Companies (Accounting Standards) Amendment Rules, 2009 pertaining to Accounting Standard 11 (AS-11) notified by Government of India on 31st March, 2009 (as amended on 29th December, 2011). Accordingly, the effect of exchange differences on foreign currency loans of the Company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets and in other cases by transfer to "Foreign Currency Monetary Item Translation Difference Account" to be amortised over the balance period of the long-term monetary items.

Notes forming part of financial Consolidated statements

d) Exchange differences relating to monetary items that are in substance forming part of the Company's net investment in non-integral foreign operations are accumulated in Foreign Exchange Fluctuation Reserve Account until disposal/recovery of the net investment.

i) Employee Benefits

Defined Contribution Plan: The Company's contributions paid / payable for the year to Provident Fund and Super Annuation are recognised in the Statement of Profit and Loss.

Defined Benefit Plan: The Company's liabilities towards gratuity and compensated absence 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 Statement of Profit and Loss 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.

j) Employee Stock Option Scheme

The Holiding 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.

k) Accounting for Tax

Current tax is 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. Deferred tax assets are recognised for timing differences of items other than unabosrbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

l) Leases

Assets acquired under lease where the Company has substantially all the risks and rewards incidental to ownership are classified as finance lease. 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 Statement of Profit and Loss on straightline basis.

m) 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.

Notes forming part of financial Consolidated statements

3 SHARE CAPITAL

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
Authorised		
65,00,00,000 (previous year 65,00,00,000) Equity Shares of ₹1 each	65.00	65.00
Total	65.00	65.00
Issued		
31,31,41,780 (previous year 31,31,41,780) Equity Shares of ₹1 each	31.31	31.31
Total	31.31	31.31
Subscribed and fully paid up		
31,31,09,980 (previous year 31,31,09,980) Equity Shares of ₹1 each	31.31	31.31
Less:- Amount Recoverable from ESOP Trust (face value of ₹1 each, 19,23,000 (previous year 19,23,000) equity shares allotted to the Trust)	0.19	0.19
Total	31.12	31.12

Notes:-

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Opening Balance	QIP issue during the year	Conversion of share warrants into equity shares during the year	Closing Balance
Equity Shares				
Year ended 31st March 2014				
- Number of shares	313,109,980	–	–	313,109,980
- Amount (₹ In Crore)	31.31	–	–	31.31
Year ended 31st March 2013				
- Number of shares	272,990,866	26,519,114	13,600,000	313,109,980
- Amount (₹ In Crore)	27.30	2.65	1.36	31.31

(ii) Terms/ Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹1/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of Shareholders in the ensuing AGM.

(iii) As at 31st March, 2014 12,00,98,926 shares (As at 31st March, 2013 12,00,98,926 shares) were reserved for issuance as follows:

a) 19,23,000 shares (As at 31st March, 2013 19,23,000 shares) of ₹1 each towards outstanding employee stock options granted / available for grant. (Refer Note 33)

b) 1,64,00,000 shares (As at 31st March, 2013 1,64,00,000 shares) of ₹1 each towards outstanding share warrants to promoter group companies. (Refer Note 5)

c) 10,17,75,926 shares (As at 31st March, 2013 10,17,75,926 shares) of ₹1 each towards Foreign Currency Convertible Bonds (FCCB) (Refer Note 30.5)

(iv) Equity shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below:

Class of shares / Name of shareholder	As at March 31, 2014		As at March 31, 2013	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
BVM Finance Private Limited	78,103,905	24.94%	78,103,905	24.94%
Kolon Investment Private Limited	20,634,046	6.59%	14,410,400	4.60%
Opel Securities Private Limited	20,635,452	6.59%	14,410,050	4.60%

Notes forming part of financial Consolidated statements

4 RESERVES AND SURPLUS

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
a) **Capital reserve**		
Balance as per last Balance sheet	47.80	47.80
b) **Capital redemption reserve**		
Balance as per last Balance sheet	15.05	15.05
c) **Securities premium account**		
Opening balance *	810.50	667.12
Add:- Premium on issue of shares during the year	–	264.60
Less : Writing off QIB/FCCB issue expenses	–	(23.51)
Less : Premium on Redemption of FCCBs	–	(97.71)
Closing balance *	810.50	810.50
* Include ₹34.26 crore (previous year ₹34.26 crore) recoverable from ESOP Trust (Premium on 19,23,000 (previous year 19,23,000) equity shares allotted to the Trust)		
d) **Debenture redemption reserve**		
Opening balance	106.52	73.25
Add: Transferred from surplus in Statement of Profit and Loss	33.27	33.27
Closing balance	139.79	106.52
e) **Employee stock options outstanding account**		
Balance as per last Balance sheet	29.41	29.41
f) **General reserve**		
Opening balance	233.08	205.58
Add:- Tranferred from surplus in Statement of Profit and Loss	35.00	27.50
Less: Loss on account of disposal of subsidiary	(2.29)	–
Closing balance	265.79	233.08
g) **Foreign Currency Monetary item Translation Difference Account**		
Opening balance	7.01	(44.21)
Add/(Less): Effect of foreign exchange rate variations during the year	(81.89)	(39.13)
Add / (Less): Amortisation during the year	16.06	90.35
Closing balance	(58.82)	7.01
h) **Foreign Currency Translation Reserve**		
Opening balance	(38.06)	5.26
Add/(Less): Effect of foreign exchange rate variations during the year	148.73	(43.32)
Closing balance	110.67	(38.06)
i) **International Business Development Reserve Account**		
Opening balance	2.69	7.85
Less: Adjusted towards expenses specifed under the Scheme of Arrangment	(0.80)	(5.16)
Closing balance	1.89	2.69
j) **Surplus in Statement of Profit and Loss**		
Opening balance	1,851.57	1,614.07
Add: Profit for the year	364.69	323.75
Transferred to:		
Less: General reserve	(35.00)	(27.50)
Less: Debenture redemption reserve	(33.27)	(33.27)
Less: Dividends proposed to be distributed to equity shareholders ₹0.70 per share (Previous year ₹0.70 per share)	(21.92)	(21.92)
Less: Tax on dividend	(3.72)	(3.56)
Closing balance	2,122.35	1,851.57
Total	3,484.43	3,065.57

Notes forming part of financial Consolidated statements

5 SHARE WARRANTS

The Board of Directors of the Company, at their meeting held on 11th October, 2012 and as approved by the Members at their meeting held on 9th November, 2012, have resolved to create, offer, issue and allot up to 3,00,00,000 warrants, convertible into one equity shares at a price of ₹1/- each on a preferential allotment basis, pursuant to Section 81(1A) of the Companies Act, 1956, at a conversion price of ₹69.01/- per equity share, arrived at in accordance with the SEBI Guidelines in this regard. Subsequently, vide meeting dated 22nd November, 2012 of the Committee of Board of Directors, these warrants were allotted to the promoter group companies and the 25% application money was received from them. The warrants may be converted into equivalent number of equity shares on payment of the balance amount at any time on or before 21st May, 2014. In the event the warrants are not converted into shares within the said period, the Company is eligible to forfeit the amounts received towards the warrants.

In previous year i.e. on 24th December, 2012, upon exercise of the option in respect of 1,36,00,000 warrants, equivalent number of Equity Shares have been issued, which resulted into increase in Equity Share Capital by ₹1.36 crores and Security Premium Account by ₹92.49 crore.

During the year, the option has not been exercised.

6 LONG-TERM BORROWINGS

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
(a) Debentures		
Secured	600.00	600.00
(b) Term loans		
From banks :		
Secured	1,552.98	992.12
Unsecured	71.66	63.16
	1,624.64	1,055.28
From a Financial Institution :		
Secured	144.30	42.70
(c) Long- term maturities of finance lease obligations (Refer note 30.3 (a))		
Secured	0.05	0.09
(d) Foreign Currency Convertible Bonds (Refer note 30.5)		
Unsecured	841.40	761.45
Total	3,210.39	2,459.52

7 OTHER LONG-TERM LIABILITIES

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
Trade / security deposits received	62.34	146.76
Total	62.34	146.76

8 LONG-TERM PROVISIONS

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
(a) Provision for employee benefits:		
(i) Provision for compensated absences	8.76	8.67
(ii) Provision for gratuity	6.29	6.01
(b) Others	–	0.52
Total	15.05	15.20

Notes forming part of financial Consolidated statements

9 SHORT-TERM BORROWINGS

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
(a) Loans repayable on demand		
From banks		
Secured	418.20	801.66
Unsecured	190.77	219.01
Total	608.97	1,020.67

10 TRADE PAYABLE

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
Trade payables:		
Acceptances	331.78	73.51
Other than Acceptances (Refer note 30.6)	490.65	514.13
Total	822.43	587.64

11 OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
(a) Current maturities of long-term debt	187.05	173.74
(b) Current maturities of finance lease obligations (refer Note 31.3 (a))	0.04	0.06
(c) Interest accrued but not due on borrowings	43.80	30.54
(d) Interest accrued and due on borrowings (refer note below)	5.39	6.88
(e) Investor's Education and Protection Fund		
Unclaimed dividends	0.60	0.48
(These do not include any amounts due and outstanding to be credited to "Investor's Education and Protection Fund")		
(f) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	23.07	18.82
(ii) Payables on purchase of fixed assets	2.99	3.88
(iii) Trade/Security deposit received	8.02	6.41
(iv) Advances from customers	88.49	98.14
(v) Others	29.29	29.47
Total	388.74	368.42

Note:

The Company has not made any default in repayment of its borrowings and the amount outstanding denotes auto debit made by the bankers on 1st April 2014 for which the Company made accrual as on 31st March 2014.

12 SHORT-TERM PROVISIONS

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
(a) Provision for employee benefits:		
(i) Provision for Compensated absences	1.34	1.08
(ii) Provision for gratuity	80.94	67.83
	82.28	68.91
(b) Provision - Others:		
(i) Provision for proposed equity dividend	21.92	21.92
(ii) Provision for tax on proposed dividends	3.72	3.56
	25.64	25.48
Total	107.92	94.39

Sintex Industries Limited

Notes forming part of financial Consolidated statements

13 FIXED ASSETS

A. Tangible Assets

(₹ in crores)

Particulars	GROSS BLOCK (AT COST)						DEPRECIATION AND AMORTISATION						NET BLOCK	
	As at 1st April,2013	Acquired on Acquisition	Additions during the year	Foregin currency translation reserve	Deductions during the year	As at 31st March, 2014	As at 1st April, 2013	Acquired on Acquisition	For the year	Foregin currency translation reserve	Deductions during the year	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Land	91.39	–	182.23	2.03	2.79	272.86	–	–	–	–	–	–	272.86	91.39
Lease hold land	5.54					5.54			0.12	–	–	0.12	5.42	5.54
Buildings	465.00	–	71.95	36.86	65.27	508.54	146.10	–	21.19	15.88	11.53	171.64	336.90	318.90
Plant & Machinery	3,362.34	–	728.18	79.86	65.98	4,104.40	1,041.67	–	200.25	53.05	39.12	1,255.85	2,848.55	2,320.67
Furniture, Fixture & Office equipments	56.70	–	3.23	6.04	3.90	62.07	43.37	–	3.27	4.21	1.80	49.05	13.02	13.33
Vehicles	40.71	–	6.30	1.52	5.09	43.44	22.44	–	6.05	1.09	4.18	25.40	18.04	18.27
Total Tangible Assets	**4,021.68**	**–**	**991.89**	**126.31**	**143.03**	**4,996.85**	**1,253.58**	**–**	**230.88**	**74.23**	**56.63**	**1,502.06**	**3,494.79**	**2,768.10**
Previous year	3,524.20	71.08	449.93	14.98	38.51	4,021.68	1,021.61	48.44	188.60	26.59	31.66	1,253.58	2,768.10	

B. Intangible Assets (other than internally generated)

(₹ in crores)

Particulars	GROSS BLOCK (AT COST)						AMORTISATION						NET BLOCK	
	As at 1st April,2013	Acquired on Acquisition	Additions during the year	Foregin currency translation reserve	Deductions during the year	As at 31st March, 2014	As at 1st April, 2013	Acquired on Acquisition	For the year	Foregin currency translation reserve	Deductions during the year	As at 31st March, 2014	As at 31st March, 2014	As at 31st March, 2013
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Technical Know how	16.02	–	–	–	–	16.02	6.50	–	0.74	–	–	7.24	8.78	9.52
ERP Software	30.42	–	6.51	4.04	0.83	40.14	25.18	–	2.92	2.89	0.72	30.27	9.87	5.24
Others (Goodwill)	164.49	–	–	20.52	22.78	162.23	47.90	–	14.28	5.18	6.53	60.83	101.40	116.59
Total Intangible Assets	**210.93**	**–**	**6.51**	**24.56**	**23.61**	**218.39**	**79.58**	**–**	**17.94**	**8.07**	**7.25**	**98.34**	**120.05**	**131.35**
Previous year	202.38	6.23	6.95	2.13	6.76	210.93	64.71	2.45	16.77	2.43	6.78	79.58	131.35	

C. Depreciation and Amortization for the year

Particulars	2013-14	2012-13
	(₹ in crores)	(₹ in crores)
Depreciation and amortisation for the year on tangible assets as per Note 13 A	230.88	188.60
Amortisation for the year on intangible assets as per Note 13 B	17.94	16.77
Amortization of Goodwill on Consolidation	5.94	–
Total	254.76	205.37

Notes:

(i) In case of freehold land capitalised during the year, the title deed / conveyance deed in favour of the Company is pending.
(ii) The unamortized balance of exchange difference (carried as a part of tangible asset and capital work in progress), as at the year end, aggregates to ₹66.36 crores (Previous Year ₹0.50 crores).
(iii) Addition to Fixed Assets include Capitalisation of borrowing Cost pertaining to qualifying assets of ₹35.11 crores (Previous year ₹18.53 crores)
(iv) Addition to Fixed Assets include Foreign Exchange Capitalised of ₹19.20 crores (Previous year ₹ Nil)

Notes forming part of financial Consolidated statements

14 NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2014	As at March 31, 2013
	(₹ in crores)	(₹ in crores)
Investments (At cost)		
A. Trade, Unquoted		
a) Investments in Equity Instruments		
i) of Associates:		
Zillion Infrastructures Pvt Limited		
30,56,093 (previous year 30,56,093) shares of ₹10 each fully paid	53.88	52.59
ii) of other entities:		
BVM Finance Pvt Ltd		
17,38,000 (previous year 17,38,000) shares of ₹10 each fully paid	8.69	8.69
Sintex Oil & Gas Ltd		
50,000 (previous year 50,000) shares of ₹10 each fully paid	0.05	0.05
Sintex International Ltd		
9,00,000 (previous year 9,00,000) shares of ₹10 each fully paid	3.00	3.00
Nief Global Limited		
2,00,000 (previous year 2,00,000) shares of AED 10 each fully- paid	–	3.04
Wasaukee Global Limited		
2,00,000 (previous year 2,00,000) shares of AED 10 each fully- paid	–	3.04
b) Investments in debentures (refer note below)		
3,659,4% NCD's (Previous year Nil) of Khadayata Décor Ltd of face value of ₹5,00,000 each (Refer Note 30.4(a))	182.95	–
B. Other Investments, Quoted		
a) Investments in Equity instruments;		
Dena Bank		
30,200 (previous year 30,200) shares of ₹10 each fully paid	0.09	0.09
Total	248.66	70.50

Note: Debentures are secured against assets of Khadayata Decor limited and further secured by guarantee received from a related party company.

15 LONG-TERM LOANS AND ADVANCES *(Unsecured, considered good, unless otherwise stated)*

Particulars	As at March 31, 2014	As at March 31, 2013
	(₹ in crores)	(₹ in crores)
a) Capital advances	1,145.33	542.94
b) Security deposits	354.27	303.82
c) Advance income tax net of provisions	41.13	60.85
d) MAT credit entitlement	145.56	105.09
e) Other loans and advances	1.55	0.99
f) Excise and Service Tax under Protest	4.11	2.52
Total	1,691.95	1,016.21

16 OTHER NON CURRENT ASSETS

Particulars	As at March 31, 2014	As at March 31, 2013
	(₹ in crores)	(₹ in crores)
a) Unamortised expenses	21.99	19.81
b) Others	24.67	3.64
Total	46.66	23.45

Notes forming part of financial Consolidated statements

17 CURRENT INVESTMENTS

Particulars	Face Value (in ₹)	As at March 31, 2014 No. of Units	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 No. of Units	As at March 31, 2013 (₹ in crores)
Current Investments					
Non- Trade, Unquoted					
Mutual funds					
Templeton India Short Term Income Plan Inst.-G	1000	18728	2.85	18728	2.85
Templeton India Income Opp. Fund- G	10	4675563	5.00	4675563	5.00
Birla Sunlife STP 1	10	482	0.01	482	0.01
IDFC Imprerial Equity Fund-Plan A G	10	64001	0.12	64001	0.12
IDFC Premier Equity Fund Plan A Growth	10	6430	0.02	6430	0.02
HDFC CMF Tap- R.G	10	705	*	705	*
HDFC Top 200 Fund G	100	6130	0.13	6130	0.13
HDFC Mid Cap Opporutinites Fund G	10	13935	0.02	13935	0.02
HDFC Core and Satellite Fund	10	31472	0.13	31472	0.13
HDFC Equity Fund G	100	5511	0.15	5511	0.15
HDFC Top 200 Fund G	100	6154	0.12	6154	0.12
IDFC Imprerial Equity Fund-Plan A G	10	64525	0.12	64525	0.12
HDFC Top 200 Fund G	100	636	0.01	636	0.01
HDFC Equity Fund G	100	3436	0.09	3436	0.09
HDFC Top 200 Fund - G	100	4478	0.09	4478	0.09
Reliance Liquid Fund Treasury Plan Retail Option Growth Option Growth Plan (SH)	10	29	0.01	29	0.01
Reliance Banking Fund	100	2480	0.02	2480	0.02
Kotak Floter Long Term-Growth	10	887	*	887	*
Kotak MID CAP	10	12415	0.03	12415	0.03
DSP Black Rock Money Manager Fund-Regular Plan Growth	1000	11	*	11	*
DSP Black Rock Micro Cap Fund R-	10	20342	0.03	20342	0.03
IDFC MMF TPA-Growth	10	987	*	987	*
IDFC Premier Equity Fund Plan A	10	9194	0.03	9194	0.03
DSP Black Rock Small and Mid Cap Fund - R	10	17882	0.03	17882	0.03
Templeton India Income Opp. Fund- G	10	299514	0.36	299514	0.36
Birla Sunlife Ultra Short Term Fund- Retail-Growth	100	6256	0.12	6256	0.12
Birla Sunlife Cash Manager-Growth	100	12613	0.32	12613	0.32
Kotak FMP Series- 73 (G)	10	–	–	70000	0.07
Kotak FMP Series- 111	10	79970	0.08	–	–
Reliance Equity Opportunities Fund-Retail Plan- G Plan	10	–	–	14937	0.05
DSP Black Rock Equity Fund-Regular Plan G	10	31920	0.05	31920	0.05
HDFC Equity Fund-G	100	1872	0.05	1872	0.05
HDFC Prudence Fund-G	100	2935	0.06	2935	0.06
HDFC CMT Adv, Plan	10	35740	0.10	–	–
Templeton India Income Builder Account Plan A Growth	10	20326	0.08	20326	0.08
IDFC Yearly Series Interval Fund Regular Plan- Series III Growth (IA)	10	77200	0.08	77200	0.08
ICICI Prudential Gift fund- Treasury-G	10	–	–	1242315	3.50
IDFC Government Securities Fund-Investment Plan- Growth-Regular Plan	10	–	–	1243487	1.67
Templeton India Short Term Income Plan Inst.-G	1000	13520	3.12	20520	4.65
Reliance Dynamic Bond Fund - Growth	10	–	–	1757369	2.62
Templeton India Short term Income Fund - Growth	1000	662	0.15	662	0.15
Templeton India Law Duration Fund - G	10	1621863	2.00	1621863	2.00
ADG Absolute Diversified Growth Fund Limited	US$100	87153	41.55	87153	34.99
TOTAL			57.13		59.82
Aggregate repurchase value of unquoted investments			61.03		62.43

Notes: i) Figures below ₹50,000 are denominated by *

Notes forming part of financial Consolidated statements

18 INVENTORIES *(At lower of cost and net realisable value)*

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
(a) Raw materials	138.27	133.42
(b) Work-in-progress	56.79	72.47
(c) Finished goods	188.52	182.59
(d) Traded goods	55.96	51.00
(e) Stores and spares	11.56	13.62
Total	451.10	453.10

19 TRADE RECEIVABLES

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	34.81	86.08
Doubtful	12.75	5.41
Less: Provision for doubtful trade receivables	(12.75)	(5.41)
	34.81	86.08
Other Trade receivables		
Unsecured, considered good	2,043.65	1,694.51
Total	2,078.46	1,780.59

20 CASH AND BANK BALANCES

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
(A) Cash and cash equivalents		
(a) Cash on hand	0.21	0.43
(b) Cheques, drafts on hand	4.50	2.03
(c) Current Accounts with banks	200.30	528.98
(d) Bank deposits with upto 3 months maturity	66.35	346.67
	271.36	878.11
(B) Other bank balances		
(a) In earmarked accounts		
- Unclaimed dividend accounts	0.60	0.48
(b) Bank deposits	0.02	11.60
	0.62	12.08
Total	271.98	890.19

Notes forming part of financial Consolidated statements

21 SHORT-TERM LOANS AND ADVANCES *(Unsecured, considered good, unless otherwise stated)*

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
a) Security deposits	1.30	2.96
Doubtful	0.45	0.45
Less: Provision for doubtful deposits	(0.45)	(0.45)
	1.30	2.96
b) Advance Recoverable in cash or kind		
Secured, considered good (Refer Note (i) below)	24.35	–
Unsecured, considered good	147.12	235.55
c) Prepaid expenses	14.18	14.28
d) Balances with government authorities		
Unsecured, considered good		
i) CENVAT credit receivable	15.15	15.76
ii) VAT credit receivable	11.15	8.24
iii) Service Tax credit receivable	4.70	4.43
Total	**217.95**	**281.22**

Note: i) ₹24.35 crores (previous year ₹ Nil) due from Sintex Oil & Gas Limited is guaranteed by a Promoter Group Company.

22 OTHER CURRENT ASSETS

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
a) Interest receivables	74.00	5.07
b) Unamortised Expenses	7.66	20.59
c) Unbilled Revenue	–	13.38
d) Export Incentive Receivables	0.45	0.16
e) Others*	15.75	16.36
Total	**97.86**	**55.56**

* Includes Power Credit Receivable and Receivable on Sale of Fixed Assets.

23 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
(a) Sale of products (Refer note (i) below)	5,726.24	4,890.39
(b) Sale of service (Refer Note (ii) below)	252.81	321.90
	5,979.05	5,212.29
Less:		
Excise duty/ Service Tax	136.43	132.85
Total	**5,842.62**	**5,079.44**
Note:		
i) Sale of products comprises following manufactured goods:		
A. Textile Products	545.86	471.71
B. Plastic Products		
Rotomoulded/Injection/Blowmoulded Products	2,233.44	2,052.77
Prefabricated Structure and Exturded Thermo Plastic Sections	2,637.29	2,056.26
SMC/Pultrusion/ Thermoforming/Resin/light/soft moulded products	309.65	309.65
Total Sale of Manufactured goods	**5,726.24**	**4,890.39**
ii) Sale of Service comprises:		
Erection and Installations and Others	252.81	321.90
Total Sale of Services	**252.81**	**321.90**

Notes forming part of financial Consolidated statements

24 OTHER INCOME

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
a) Interest income (Refer Note beiow)	75.34	45.70
b) Dividend income:		
From current Investments in Mutuals funds	0.02	0.05
c) Net gain on sale of current investments	0.83	4.75
d) Discount on prepayment of FCCB	–	21.27
e) Net gain on foreign currency transactions and translation (other than considered as finance cost)	6.88	–
f) Others	16.21	42.63
Total	**99.28**	**114.40**
Note:		
Interest income comprises :		
Interest on Loans, Advances and Bank Deposits	74.57	44.84
Interest on overdue trade receivables	0.56	0.80
Interest on Income Tax refund	0.21	0.06
Total	**75.34**	**45.70**

25.a COST OF MATERIALS CONSUMED

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
Opening stock	133.42	130.85
Add: Purchases	3,400.89	2,905.87
Less: Closing stock	138.27	133.42
Cost of material consumed	**3,396.04**	**2,903.30**
Note:		
Materials consumed comprise:		
Cotton yarn and other fibres	128.04	104.92
Plastic Resins, Granules and powder etc.	2,006.26	1,669.61
Bought-out goods consumed	1,261.74	1,128.77
Total	**3,396.04**	**2,903.30**

25.b PURCHASE OF TRADED GOODS

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
Industrial Pallets, Moulds and Plastic Parts	154.21	157.38
Total	**154.21**	**157.38**

25.c CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
Inventories at the end of the year:		
Finished goods	188.52	182.59
Work-in-progress	56.79	72.47
	245.31	255.06
Inventories at the beginning of the year:		
Finished goods	182.59	149.96
Work-in-progress	72.47	59.05
	255.06	209.01
Less: Exchange Differences w.r.t. Inventories of Foreign Subsidiaries	0.09	6.37
Net (increase) / decrease	**9.84**	**(39.68)**

Notes forming part of financial Consolidated statements

26 EMPLOYEE BENEFITS EXPENSES

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
Salaries and wages	496.91	455.29
Contributions to provident and other funds	10.29	14.15
Staff welfare expenses	125.85	120.79
Total	633.05	590.23

27 FINANCE COSTS

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
Interest Expenses on borrowings	278.18	165.38
Other Borrowing Costs	11.20	7.26
Total	289.38	172.64

28 OTHER EXPENSES

Particulars	As at March 31, 2014 (₹ in crores)	As at March 31, 2013 (₹ in crores)
Consumption of stores and spare parts	183.44	181.78
Site developments	9.66	41.59
Power and fuel	136.18	153.10
Rent including lease rentals	22.18	23.32
Repairs and maintenance - Buildings	7.99	6.17
Repairs and maintenance - Machinery	36.86	32.38
Repairs and maintenance - Others	1.99	1.67
Insurance	10.06	9.15
Rates and taxes	28.94	23.97
Communication	6.79	6.74
Travelling and conveyance	27.82	32.27
Sales commission	42.63	35.88
Donations and contributions	0.28	0.28
Payments to auditors	1.06	1.05
Provisons for doubtful debts and loans and Advances	7.34	1.22
Loss on sale/discarding of fixed assets	8.26	–
Loss on sale of subsidiaries (net) (Refer Note no 30.4)	2.19	–
General expenses	173.46	176.59
Total	707.13	727.16

29 EXCEPTIONAL ITEMS

Particulars	For the year ended March 31, 2014 (₹ in crores)	For the year ended March 31, 2013 (₹ in crores)
Net Foreign Exchange (Gain) /Loss on long term Foreign Currency Monetary Items (amortisation)	16.06	90.35
Total	16.06	90.35

Note:

Due to unusual and steep depreciation in the value of the Rupee, the unrealised exchange loss (net) has been considered by the Company to be of exceptional in nature. The unrealised exchange Gain / (Loss) refers to the Gain / (Loss) arising out of the restatement of the foreign currency monetary assets and liabilities (other than borrowings related to fixed assets).

Notes forming part of financial Consolidated statements

30

Particulars	2013-14 (₹ in crores)	2012-13 (₹ in crores)
30.1 Contingent liabilities in respect of :-		
a) Amount of claims of certain retrenched employees for re-instatement with back wages	NIL	Amount not ascertained
b) Guarantees to Financial Institutions against non-funded credit facilities extended to a subsidiary	–	1.56
c) Disputed demand not acknowledged as debt against which the Company has preferred appeal		
- Income tax*	5.94	13.82
- Excise Duty	1.29	1.47
- Custom Duty	0.28	0.28
- Sales Tax/VAT	3.10	3.99
- Service Tax*	4.04	2.29
* The amount deposited with the authority in respect of above income tax and service tax demands are ₹5.94 crore (previous year ₹13.64 crore) and ₹4.04 crores (previous year ₹2.28 crore), respectively. The dispute of service tax relates to CENVAT eligibility on taxes paid for procurement of services		
30.2 Estimated amount (net of advances) of contracts remaining to be executed on capital accounts and not provided for	300.52	10.57

30.3 A Scheme of Arrangement (the "Scheme") between the Company and its equity Shareholders was approved by the Board of Directors vide its resolution dated 30th June, 2008, by the Shareholders in their Court convened meeting held on 15th September, 2008 and by the Honourable High Court of Gujarat vide its order dated 25th March, 2009. The Appointed Date of the Scheme was 1st April, 2008. The Company filed the Order with the Registrar of Companies, Gujarat on 14th April, 2009 within the time specified in the order and the Scheme had been given effect in the financial statement for the financial year ended on 31st March, 2010. 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 ₹0.80 crore (previous year ₹5.16 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 significant impact on the profit for the year, as per the Scheme.

30.4 a) On 26th March 2014, the company has sold / transferred investment (carrying amount ₹111 crore) in equity shares of Zep Infratech Limited, a wholly owned subsidiary, and unsecured loan of ₹69.92 crore to the said subsidiary, for a consideration of ₹183 crore to Khadayata Décor Limited (Khadayata) out of which ₹182.95 crore is received in form of 3,659 4% Secured Debentures of ₹500,000 each issued by Khadayata. The said debentures are redeemable on 25th March 2018 at a premium of 140%. In consolidation financial statement, there was a loss of ₹5.54 Crore which been disclosed under note no. 28 "Other Expenditure".

b) On 28th August 2013, the company disinvested its step down subsidiary, Amarange Inc. for a consideration of US$ 8.2 million (Equivalent to ₹49.28 Crore) and as a result of disposal; there was a consolidation profit of ₹3.35 crore which has been disclosed under note no. 28 "Other Expenditure".

30.5 On 28th November, 2012, the Company issued 7.50 per cent Step Down Convertible Bonds (with an average yield to maturity 5.25%) aggregating to US $ 140 million (₹779.90 crore as on 31st March, 2014) to repurchase or repay the outstanding principal and premium on redemption on the 2008 FCCBs, in accordance with applicable Indian laws and regulations.

As per the terms & condtions of the Offering Circular dated 16th November, 2012, the bondholders have an option to convert these bonds into Equity Shares determined at an initial conversion price of ₹75.60 per equity share with a fixed rate of exchange on conversion of ₹54.959 per US$ 1.00, at any time on or after 8th January, 2013 up to the close of business on 19th November, 2017.

The Bonds may be redeemed, in whole but not in part, at the option of the Company at any time on or after 28th May, 2015 and on or prior to 23rd October, 2017 subject to satisfaction of certain conditions. Unless previously converted, redeemed or purchased and cancelled, the bonds fall due for redemption on 29th November, 2017 at 100 per cent of their principal amount together with accrued interest, if any, calculated in accordance with the terms & conditions. Up to 31st March, 2014, none of the Bonds have been converted into equity shares.

Notes forming part of financial Consolidated statements

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

Particulars	March 31, 2014 (₹ in crores)	March 31, 2013 (₹ in crores)
Principal amount remaining unpaid to any supplier as at the vear end	3.53	1.96
Interest due on the above mentioned principal amount remaining unpaid to any supplier as at the year end	–	–
Amount of the interest paid bv the Company in terms of Section 16	–	–
Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSME 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 Micro, Small and Medium Enterprise Act 2006 and the above mentioned disclosures are made under Note 10 "Trade Payables". 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.

30.7 The subsidiary/associate companies considered in the Consolidated Financial Statements are:

Name of Subsidiaries/Associate	Country of incorporation	Effective ownership in subsidiaries/associate as at 31st March, 2014	31st March, 2013
Zep Infratech Limited	India	–	100%
Bright AutoPlast Limited	India	100%	100%
Sintex Infra Projects Limited	India	100%	100%
Sintex Holdings B.V.	Netherland	100%	100%
Sintex France SAS	France	100%	100%
Sintex Wausaukee Composites Inc.	USA	100%	100%
Sintex Industries UK Limited	UK	100%	100%
Sintex Austria B.V.	Netherland	100%	100%
Amarange Inc.	British Virgin Island	–	100%
Southgate Business Corp.	British Virgin Island	100%	100%
Wausaukee Composites Owosso, Inc.	USA	100%	100%
WCI Wind Turbine Components, LLC	USA	100%	100%
Cuba City Real Estate LLC	USA	100%	100%
Owosso Real Estate LLC	USA	100%	100%
Sintex NP SAS	France	100%	100%
NP Hungaria Kft	Hungary	100%	100%
NP Nord SAS	France	100%	100%
NP Slovakia SRO	Slovakia	100%	100%
NP Savoie SAS	France	100%	100%
NP Tunisia SARL	Tunisia	100%	100%
NP Vosges SAS	France	100%	100%
Segaplast SAS	France	100%	100%
Segaplast Maroc SA	Morocco	100%	100%
Siroco SAS	France	100%	100%
NP Jura	France	100%	100%
AIP SAS	France	100%	100%
SICMO SAS	France	100%	100%
NP Poschman	Germany	100%	100%
NP Polska	Poland	100%	100%
Zillion Infraprojects Private Limited	India	30%	30%

Notes forming part of financial Consolidated statements

31 DISCLOSURES UNDER ACCOUNTING STANDARDS

31.1 Information about Business Segment

1. Primary Segment Information

The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Textiles, Plastics and Infrastructure. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are Europe, India and Other.

(₹ in crores)

Particulars	Textiles		Plastics		Infrastructure		Unallocated		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
i) Segment Revenue	548.20	473.17	4,616.32	4,263.77	702.72	370.93	109.45	85.97	5,976.69	5,193.84
Less: Inter Segment Revenue	–	–	2.78	–	–	–	32.01	–	34.79	–
Net Sales/Income from Operations	**548.20**	**473.17**	**4,613.54**	**4,263.77**	**702.72**	**370.93**	**77.44**	**85.97**	**5,941.90**	**5,193.84**
ii) Segment Result	73.19	42.34	618.74	519.01	52.57	38.01	26.31	(39.63)	770.81	559.73
Less: Unallocated Expenses net of										
Unallocated Income	–	–	–	–	–	–	–	–	–	–
Interest Expenses	–	–	–	–	–	–	(289.38)	(172.64)	(289.38)	(172.64)
Profit Before Tax	**73.19**	**42.34**	**618.74**	**519.01**	**52.57**	**38.01**	**(263.07)**	**(212.27)**	**481.43**	**387.09**
(a) Current tax expense for current year	–	–	–	–	–	–	112.10	78.20	112.10	78.20
(b) (Less): MAT credit	–	–	–	–	–	–	(39.88)	(62.10)	(39.88)	(62.10)
(c) Current tax expense relating to prior years	–	–	–	–	–	–	4.83	1.06	4.83	1.06
(d) Net current tax expense	–	–	–	–	–	–	77.05	17.16	77.05	17.16
(e) Deferred tax	–	–	–	–	–	–	40.98	49.77	40.98	49.77
	–	–	–	–	–	–	**118.03**	**66.93**	**118.03**	**66.93**
Profit After Tax Before Minority Interest	**73.19**	**42.34**	**618.74**	**519.01**	**52.57**	**38.01**	**(381.10)**	**(279.20)**	**363.40**	**320.16**
Share of Profits attributable to Minority Interest	–	–	–	–	–	–	–	–	–	–
Share of Profit of Associate	–	–	–	–	1.29	3.59	–	–	1.29	3.59
Profit for the year	**73.19**	**42.34**	**618.74**	**519.01**	**53.86**	**41.60**	**(381.10)**	**(279.20)**	**364.69**	**323.75**
iii) Other Information:										
Segment Assets	2,206.25	1,296.15	5,311.91	5,134.38	1,127.50	781.79	442.93	893.19	9,088.59	8,105.51
Segment Liabilities	143.90	174.45	1,522.18	1,517.33	313.73	321.39	25.65	219.91	2,005.46	2,233.08
Capital Expenditure	179.79	9.10	658.06	365.06	157.58	136.06	2.97	3.78	998.40	514.00
Depreciation and Amortisation	58.78	56.81	185.75	144.94	7.39	0.20	2.84	3.42	254.76	205.37

Notes forming part of financial Consolidated statements

2. Secondary Segment Information

The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

Geographic Segment	Revenues For the year ended 31 March, 2014	Segment assets As at 31 March, 2014	Capital expenditure incurred during the year ended 31 March, 2014
	(₹ in crores)	(₹ in crores)	(₹ in crores)
India	4,308.76	7,643.34	901.94
	(3,836.18)	(7,014.59)	(400.36)
Europe	1,517.55	1,350.43	92.27
	(1,165.85)	(968.95)	(108.61)
Others	115.59	94.80	4.19
	(191.81)	(121.97)	(5.03)

Note: Figures in bracket relates to the previous year

Note:

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

Textile - Fabric and Yarn

Plastic - Water Tanks, Doors, Windows, Prefab, Sections, BT Shelters, Custom Moulding, etc.

Infrastructure - Affordable Housing and EPC Contract

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.

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.

Particulars	2013-14	2012-13
	(₹ in crores)	(₹ in crores)
Segment Revenue comprises of:		
Sales	5,842.62	5,079.44
Other Income	99.28	114.40
Total	**5,941.90**	**5,193.84**

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.

Notes forming part of financial Consolidated statements

31.2 Related Party Transactions:

31.2 a List of related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Nature of Relationship	Name of Related Parties
1	Associate	Zillion Infra Projects Pvt.Ltd.
2	Key Management Personnel	Shri Dinesh B. Patel, Chairman
		Shri Arun P. Patel, Vice-chairman
		Shri Rahul A. Patel, Managing Director (Group)
		Shri Amit D. Patel, Managing Director (Group)
		Shri S.B.Dangayach, Managing Director
3	Enterprises over which Key Managerial Personnel are able to exercise significant influence/control	Som Shiva (Impex) Ltd.
		Atik Land Developers Pvt. Ltd.
		Sintex International Ltd.
		Prominent Plastic Ltd.
		BVM Finance Pvt.Ltd.

31.2 b (i) Transactions during the year with related parties : (₹ in crores)

Sr. No.	Nature of Transaction	Nature of Relationship			
		Associates	Entities over which KMP excercise significant influence/control	Key Management Personnel	Total
1	Purchase of goods/services	–	9.59	–	9.59
		–	–	–	–
2	Sale of goods/services	–	0.10	–	0.10
		–	–	–	–
3	Interest Income	–	26.29	–	26.29
		–	–	–	–
4	Rent Expenese	–	0.42	–	0.42
		–	–	–	–
5	Managerial remuneration	–	–	10.97	10.97
		–	–	(10.91)	(10.91)

31.2 b (ii) Balance as at 31st March, 2014: (₹ in crores)

Sr. No.	Nature of Transaction	Nature of Relationship			
		Associates	Entities over which KMP excercise significant influence/control	Key Management Personnel	Total
1	Current Liabilities	–	14.68	6.75	21.43
		–	(14.74)	(3.75)	(18.49)
2	Sundry Debtors	–	2.05	–	2.05
		–	(0.59)	–	(0.59)
3	Other Current Asset	–	26.29	–	26.29
	[refere note 31.3 ('c)(3)]	–	–	–	–
4	Investments	–	8.29	–	8.29
	[refer note 17]	–	(8.29)	–	(8.29)
5	Loans & Advances (Includes Capital Advance)	–	52.19	–	52.19
		–	(50.00)	–	(50.00)

Previous Year Figures in the above table [31.2.b (i) and (ii)] are mentioned in Bracket.

Notes forming part of financial Consolidated statements

31.2 c Disclosure of Material Related Party Transactions during the year and Balance outstanding :

1) Purchase of goods/services includes purchase from (a) Som Shiva (Impex) Ltd. ₹9.59 crore (Previous Year ₹ Nil). Balance as on 31st March 2014 ₹0.55 Crore (Previous Year ₹0.64 Crore) and (b) Sintex International Ltd. ₹ Nil (previous year ₹ Nil). Balance as on 31st March 2014 ₹14.13 Crore (Previous year ₹14.13 Crore).
2) Sale of goods/services includes sale to (i) Som Shiva (Impex) Ltd. ₹0.10 Crore (Previous Year ₹ Nil) Balance as on 31st March 2014 ₹1.58 Crore (Previous Year ₹ Nil) and (ii) Sintex International Ltd ₹0.01 Crore (Previous Year ₹ Nil) Balance as on 31st March 2014 ₹0.47 Crore (Previous Year ₹0.59 Crore).
3) Interest Income include Interest from Atik Land Developers Pvt Ltd. ₹26.29 Crore (Previous Year ₹ Nil).
4) Rent Expense includes payment to Prominent Plastic Ltd ₹0.42 Crore (Previous Year ₹0.42 Crore). The Net Balance outstanding receivable / payable to Prominent was ₹ Nil (Previous Year ₹ Nil) as on 31st March 2014.
5) Managerial Remuneration includes remuneration to Shri Dinesh B. Patel Rs. Nil (Previous Year ₹1.97 crore), Shri Arun P. Patel ₹ Nil (Previous Year ₹1.96 crore), Shri Rahul A. Patel ₹4.53 crore (Previous Year ₹2.56 crore), Shri Amit D. Patel ₹4.58 crore (Previous Year ₹2.56 crore), Shri S B Dangayach ₹1.86 crore (Previous Year ₹1.86 crore).
6) Loans and Advances include balance of Atik Land Developer Pvt Ltd. as on 31st March 2014 ₹50.00 Crore (Previous Year ₹50.00 Crore).

31.3 Details of Leasing Arrangements

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 Statement of Profit & Loss.

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 31st March, 2014 of minimum installments in respect of assets acquired under the Lease Agreements are as follows :

Particulars	As at 31st March, 2014 (₹ in crores)	As at 31st March, 2013 (₹ in crores)
Minimum Installments		
i) Payable not later than 1 year	0.04	0.06
ii) Payable later than 1 year and not later than 5 years	0.05	0.09
iii) Payable later than 5 years	–	–
Total minimum installments	0.09	0.15
Less : Future finance charges	–	–
Present value of minimum installments	0.09	0.15
Present Value of Minimum Installments		
i) Payable not later than 1 year	0.03	0.06
ii) Payable later than 1 year and not later than 5 years	0.06	0.09
iii) Payable later than 5 years	–	–
Total present value of minimum installments	0.09	0.15

B. Operating Lease

The Company has entered into operating lease arrangements for Residential flats for accomodation of employees and office premises. The leases are non-cancellable and are for a period of 12 months with a renewal clause and also provide for termination.

Particulars	2013-14 (₹ in crores)	2012-13 (₹ in crores)
Office premises	2.64	3.39
Residential Flats for accomodation of employees	2.84	2.81

The lease agreements are executed for a period of 12 months with a renewal clause.

Notes forming part of financial Consolidated statements

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

		2013-14	2012-13
Basic Earnings Per Share before Extra Ordinary Items :			
Profit attributable to the Shareholders (₹ in crore)	A	364.69	323.75
Weighted average number of Equity Shares outstanding during the year	B	311186980	284600467
Nominal value of Equity Shares (₹)		1.00	1.00
Basic Earnings Per Share (₹)	**A/B**	**11.72**	**11.38**
Diluted Earnings Per Share before Extra Ordinary Items :			
Profit attributable to the Shareholders (₹ in crore)	A	364.69	323.75
Weighted average number of Equity Shares outstanding during the year	B	311186980	285137520
Nominal value of Equity Shares (₹)		1.00	1.00
Diluted Earning Per Share (₹)	**A/B**	**11.72**	**11.35**
		No.of Shares	No.of Shares
Weighted average number of Equity Shares outstanding during the year for Basic EPS		311186980	284600467
Add : Dilutive potential Equity Shares*		–	537053
Weighted average number of Equity Shares outstanding during the year for Dilutive EPS		311186980	285137520

* In computation of diluted EPS, the impact of dilution on account of potential conversion of FCCBs, preferential share warrants and ESOPs have not been considered as the same are anti-dilutive.

31.5 The Deferred Tax Liabilities/ Asset comprises of tax effect of timing differences on account of:

Particulars	As at 31st March, 2014 (₹ in crores)	As at 31st March, 2013 (₹ in crores)
Deferred Tax Liabilities		
Difference between book and tax depreciation	370.75	324.82
Others	13.94	8.96
TOTAL	**384.69**	**333.78**
Deferred Tax Asset		
Disallowances under Income Tax	(7.94)	(7.91)
Provision for doubtful debts & advances	(1.88)	(1.16)
Unabsorbed Depreciation & losses*	(33.79)	(31.20)
Others	(12.19)	(5.60)
TOTAL	**(55.80)**	**(45.87)**
Deferred Tax Liabilities (Net)	**328.89**	**287.91**
Deferred Tax Liabilities	**335.83**	**290.62**
Deferred Tax Asset	**(6.95)**	**(2.71)**
	328.89	**287.91**

*Deferred tax asset on account of unabsorbed depreciation and business loss has been recognised maximum to the extent It can be realised against reversal of deferred tax liability.

32 DETAILS AS PER SECTION 212(8) OF THE COMPANIES ACT, 1956

a) The Ministry of Corporate Affairs, Government of India, vide General Circular no. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemptions.

Notes forming part of financial Consolidated statements

32 DETAILS AS PER SECTION 212(8) OF THE COMPANIES ACT, 1956

b) Financial Information of Subsidiary companies are as under:

(₹ in crores)

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 Tax	Profit after Taxation	Proposed Dividend
1	Bright AutoPlast Ltd.	31.03.2014	INR	55.01	37.69	428.53	428.53	–	380.61	(22.84)	(3.47)	(19.37)	–
2	Sintex Holdings B.V.	31.12.2013	EURO	606.34	193.19	799.53	799.53	–	–	(23.49)	–	(23.49)	–
3	Sintex Holding USA, Inc.	31.12.2013	USD	150.74	2.23	152.97	152.97	–	–	(2.99)	–	(2.99)	–
4	Wausaukee Composites Inc.	31.12.2013	USD	2.72	28.46	34.53	34.53	–	93.79	2.53	–	2.53	–
5	Wausaukee Composites Owosso, Inc.	31.12.2013	USD	–	(1.51)	12.91	12.91	–	46.94	(1.55)	–	(1.55)	–
6	WCI Wind Turbine Components, LLC	31.12.2013	USD	–	3.47	2.25	2.25	–	11.22	(4.14)	–	(4.14)	–
7	Owosso Real Estate LLC	31.12.2013	USD	–	1.29	4.61	4.61	–	–	0.34	–	0.34	–
8	Cuba city Estate LLC	31.12.2013	USD	–	0.25	3.68	3.68	–	–	0.09	–	0.09	–
9	Sintex Austria B.V.	31.12.2013	EURO	0.77	46.81	65.84	65.84	42.95	–	(0.33)	–	(0.33)	–
10	Sintex France SAS	31.12.2013	EURO	272.34	11.76	461.86	461.86	–	13.34	9.64	(2.83)	12.47	–
11	Sintex NP SAS	31.12.2013	EURO	142.93	145.65	517.07	517.07	–	341.67	17.50	(0.91)	18.41	3.12
12	NP Savoie SAS	31.12.2013	EURO	10.65	28.66	57.05	57.05	–	87.23	8.82	1.43	7.39	4.26
13	NP Jura	31.12.2013	EURO	8.54	47.48	99.60	99.60	–	181.26	5.01	1.18	3.84	–
14	NP Vosges SAS	31.12.2013	EURO	8.54	11.52	49.61	49.61	–	103.67	(7.26)	(0.02)	(7.24)	–
15	Siroco SAS	31.12.2013	EURO	4.27	9.63	22.15	22.15	–	52.24	2.35	0.74	1.61	–
16	NP Nord SAS	31.12.2013	EURO	5.21	6.75	43.43	43.43	–	59.12	0.85	0.14	0.71	–
17	Segaplast SAS	31.12.2013	EURO	4.27	13.66	31.83	31.83	–	52.54	4.32	1.44	2.88	4.27
18	AIP SAS	31.12.2013	EURO	8.54	44.65	74.70	74.70	–	109.33	10.10	3.18	6.92	4.27
19	NP Hungaria Kft	31.12.2013	EURO	17.07	77.95	133.32	133.32	–	162.09	22.11	2.95	19.16	10.24
20	NP Slovakia SRO	31.12.2013	EURO	8.54	9.93	24.59	24.59	–	44.02	3.71	0.90	2.81	–
21	NP Tunisia SARL	31.12.2013	EURO	14.55	63.84	107.78	107.78	–	109.50	12.24	–	12.24	12.24
22	Segaplast Maroc SA	31.12.2013	MAD Dirhams	7.47	14.75	28.01	28.01	–	33.83	2.54	0.77	1.76	1.87
23	SICMO	31.12.2013	EURO	4.27	4.70	11.81	11.81	–	18.18	0.54	(0.01)	0.55	–
24	NP Poschmann GmbH	31.12.2013	EURO	25.61	1.61	66.52	66.52	–	163.29	1.43	0.44	0.98	–
25	NP POLSKA	31.12.2013	Polish Zloty	8.20	8.31	54.56	54.56	–	73.42	0.21	0.11	0.10	–
26	Southgate Business Corp.	31.12.2013	USD	0.31	0.19	0.50	0.50	–	–	0.04	–	0.04	–
27	Sintex Industries U.K. Limited	31.12.2013	GBP	25.61	(17.30)	8.31	8.31	–	–	(0.38)	–	(0.38)	–
28	Sintex Infra Projects Limited	31.03.2014	INR	2.00	238.89	1,115.82	1,115.82	42.21	702.50	26.68	9.07	17.61	–
	TOTAL			1,394.50	1,034.51	4,413.37	4,413.37	85.16	2,839.79	68.07	15.11	52.95	40.27

\# The India rupee 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 rate as follows:

1 Euro = ₹85.36, 1 USD = ₹61.90, 1 SGD = ₹48.69, 1 MAD Dirhams = ₹7.47, 1 GBP = ₹102.01, 1 Polish Zloty= ₹20.49

* Financial Information is based on Unaudited Results.

Notes forming part of financial Consolidated statements

33 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 24th February, 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 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 gave 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 21st August, 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) On 27th October, 2010, 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.

iv) During the year, 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 Members of the Company in their meeting held on September 17, 2012 have approved the extension of exercise period of the Scheme from 2 years to 4 years.

The details of outstanding options are as under:

Particulars	2013-14	2012-13
Options outstanding as at beginning of the year	1923000	1923000
Add: Options granted during the year	Nil	Nil
Less: Options exercised during the year	Nil	Nil
Less: Options forfeited during the year	Nil	Nil
Options outstanding at the end of the year	1923000	1923000

34 The previous year figures have been regrouped / re-classified to conform to the current year's classification.

Signature to Notes forming part of the financial consolidated statements

In terms of our report attached

For and on behalf of the Board of Directors

Dinesh B. Patel *Chairman*
Arun P. Patel *Vice Chairman*
Amit D. Patel *Managing Director (Group)*
S.B. Dangayach *Managing Director*

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

For Deloitte Haskins & Sells
Chartered Accountants

Samir R. Shah
Partner
Membership No. 101708

Ahmedabad
Date : May 8, 2014

Hitesh T Mehta
Company Secretary

Ahmedabad
Date : May 8, 2014

Sintex Industries Limited
Kalol – 382 721, Gujarat, India.