

Ref No: SEC/SGX/2020-21  
November 10, 2020

To,  
Market Control Securities  
Operations Group  
**Singapore Exchange Securities Trading Limited**  
4, Shenton way  
# 19 – 00 SGX Centre 1  
Singapore 068804.

**Sub.: Approval of Un-Audited Financial Results of the Company the Second Quarter and Half Year ended on 30th September, 2020 and Outcome of the Board Meeting held on 10th November, 2020.**

**Ref: US\$ 110 million, step down convertible bonds due in 2022 (“Bonds”) listed on the Singapore Exchange Securities Trading Limited.**

We hereby inform you that the Board of Directors of the Company, at its Meeting held on 10<sup>th</sup> November, 2020, approved the Standalone and Consolidated Un-Audited Financial Results of the Company for the Second Quarter and Half year ended 30<sup>th</sup> September, 2020.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

- Standalone and Consolidated Un-Audited Financial Results of the Company for the Second Quarter and Half-Year ended 30th September, 2020.
- Limited Review Report on Un-Audited Financial Results of the Company for the Second Quarter and Half-Year ended 30<sup>th</sup> September, 2020 (Standalone and Consolidated).

The meeting of Board of Directors commenced at 1.02 p.m. and concluded at 2.15 p.m.

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

Yours faithfully,

**For Sintex Industries Limited**

  
Company Secretary



**SINTEX INDUSTRIES LIMITED**

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

Investor Relationship Cell:  
7th Floor, Abhijit Building-I, Mithakhali Six Roads,  
Ellisbridge, Ahmedabad – 380 006, Gujarat.  
Phone : +91-6358855979 • +91-79-26420045  
Email : share@sintex.co.in

# Sintex Industries Limited

Regd. Office : Kalol - 382 721, India  
Phone: (02764) - 253000 & Fax No. (02764) 222868  
E-mail : share@sintex.co.in Website : www.sintex.in  
CIN : L17110GJ1931PLC000454

**SINTEX**  
ACTIVE THINKING

## Statement of Unaudited Standalone Financial results for the Quarter & Half Year ended 30th September, 2020

(Rs. in Crores except per share data)

| Sr No | Particulars                                                                       | Unaudited       |                 |                 | Unaudited       |                 | Audited           |
|-------|-----------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
|       |                                                                                   | Quarter ended   |                 |                 | Half year ended |                 | Year ended        |
|       |                                                                                   | 30-Sep-20       | 30-Jun-20       | 30-Sep-19       | 30-Sep-20       | 30-Sep-19       | 31-Mar-20         |
| 1     | <b>Income</b>                                                                     |                 |                 |                 |                 |                 |                   |
|       | (a) Revenue from operations                                                       | 288.48          | 150.59          | 279.19          | 439.07          | 761.91          | 1,634.92          |
|       | (b) Other Income                                                                  | 13.89           | 2.01            | 7.71            | 15.90           | 15.59           | 27.51             |
|       | <b>Total Income</b>                                                               | <b>302.37</b>   | <b>152.60</b>   | <b>286.90</b>   | <b>454.97</b>   | <b>777.50</b>   | <b>1,662.43</b>   |
| 2     | <b>Expenses</b>                                                                   |                 |                 |                 |                 |                 |                   |
|       | (a) Cost of materials consumed                                                    | 203.90          | 89.14           | 187.82          | 293.04          | 491.66          | 1,103.42          |
|       | (b) Changes in inventories of finished goods, work-in-progress and stock in trade | (5.64)          | 19.44           | 6.18            | 13.80           | 84.26           | 79.55             |
|       | (c) Employee benefits expense                                                     | 30.73           | 28.11           | 36.04           | 58.84           | 88.13           | 157.50            |
|       | (d) Finance Costs                                                                 | 185.81          | 190.49          | 171.47          | 376.30          | 334.60          | 742.03            |
|       | (e) Depreciation and amortisation expense                                         | 71.12           | 70.38           | 71.50           | 141.50          | 142.31          | 284.40            |
|       | (f) Other expenses                                                                | 54.74           | 36.32           | 57.01           | 91.06           | 308.95          | 630.20            |
|       | <b>Total expenses</b>                                                             | <b>540.66</b>   | <b>433.88</b>   | <b>530.02</b>   | <b>974.54</b>   | <b>1,449.91</b> | <b>2,997.10</b>   |
| 3     | <b>Profit/(Loss) before tax and Exceptional item (1) - (2)</b>                    | <b>(238.29)</b> | <b>(281.28)</b> | <b>(243.12)</b> | <b>(519.57)</b> | <b>(672.41)</b> | <b>(1,334.67)</b> |
| 4     | <b>Exceptional item</b>                                                           | -               | 426.64          | -               | 426.64          | -               | -                 |
| 5     | <b>Profit/(Loss) before tax (3)-(4)</b>                                           | <b>(238.29)</b> | <b>(707.92)</b> | <b>(243.12)</b> | <b>(946.21)</b> | <b>(672.41)</b> | <b>(1,334.67)</b> |
| 6     | <b>Tax expense/(benefit)</b>                                                      |                 |                 |                 |                 |                 |                   |
|       | (a) Current tax (net of MAT credit entitlement)                                   | -               | -               | -               | -               | -               | -                 |
|       | (b) Deferred tax                                                                  | -               | -               | (0.47)          | -               | (2.57)          | (78.57)           |
|       | (c) Short/(Excess) provision of tax for earlier years                             | (0.11)          | (0.03)          | 0.47            | (0.14)          | (5.68)          | (6.12)            |
|       | <b>Tax expense/(benefit)</b>                                                      | <b>(0.11)</b>   | <b>(0.03)</b>   | <b>-</b>        | <b>(0.14)</b>   | <b>(8.25)</b>   | <b>(84.69)</b>    |
| 7     | <b>Net Profit after tax (5) - (6)</b>                                             | <b>(238.18)</b> | <b>(707.89)</b> | <b>(243.12)</b> | <b>(946.07)</b> | <b>(664.16)</b> | <b>(1,249.98)</b> |
| 8     | <b>Other Comprehensive Income</b>                                                 |                 |                 |                 |                 |                 |                   |
|       | (a) Items that will not be reclassified to profit or loss                         | -               | -               | -               | -               | (0.17)          | (2.19)            |
|       | (b) Income tax effect on above                                                    | -               | -               | -               | -               | -               | -                 |
|       | (c) Items that will be reclassified to profit or loss                             | -               | -               | -               | -               | -               | -                 |
|       | (d) Income tax effect on above                                                    | -               | -               | -               | -               | -               | -                 |
| 9     | <b>Total Comprehensive Income (7+8)</b>                                           | <b>(238.18)</b> | <b>(707.89)</b> | <b>(243.12)</b> | <b>(946.07)</b> | <b>(664.33)</b> | <b>(1,252.17)</b> |
| 10    | <b>Paid-up equity share capital (Face value of Rs.1 each)</b>                     | 59.41           | 59.41           | 59.41           | 59.41           | 59.41           | 59.41             |
| 11    | <b>Other Equity</b>                                                               |                 |                 |                 |                 |                 | 3,070.11          |
| 12    | <b>Earnings per share (Face value of Rs. 1 each)</b>                              |                 |                 |                 |                 |                 |                   |
| a     | Basic (in Rs.)                                                                    | (4.01)          | (11.92)         | (4.09)          | (15.92)         | (11.18)         | (21.04)           |
| b     | Diluted (in Rs.)                                                                  | (4.01)          | (11.92)         | (4.09)          | (15.92)         | (11.18)         | (21.04)           |
| 13    | <b>Debenture Redemption Reserve</b>                                               |                 |                 |                 |                 |                 | 111.03            |
| 14    | <b>Net worth</b>                                                                  |                 |                 |                 |                 |                 | 3,129.52          |
| 15    | <b>Debt Equity Ratio</b>                                                          |                 |                 |                 | 3.44            | 1.62            | 2.29              |
| 16    | <b>Debt Service Coverage Ratio</b>                                                |                 |                 |                 | (0.41)          | (0.51)          | (0.66)            |
| 17    | <b>Interest Service Coverage Ratio</b>                                            |                 |                 |                 | (0.41)          | (1.01)          | (0.90)            |

Formula for computation of ratios are as follows:-

\* **Debt Service Coverage Ratio** = Earnings before Interest, Tax and Exceptional Items / Interest Expense + Principal Repayments made during the period for long term loans

\* **Interest Service Coverage Ratio** = Earnings before Interest, Tax and Exceptional Items / Interest Expense

\* **Debt Equity Ratio** = Total debt / (Paid up Equity Capital + Reserves and Surplus)

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



## Notes to the unaudited Financial Results for the Quarter and Half Year Ended September 30, 2020

- 1) The above financial results of the Company were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 10th November, 2020. The Statutory Auditor of the Company has reviewed the said results.
- 2) These financial results have been prepared in accordance with Indian Accounting Standards (Ind- AS) as prescribed under section 133 of Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and relevant amendment thereafter.
- 3) With respect to USD 110 Million Foreign Currency Convertible Bonds due 2022 (FCCBs) raised by the Company, there are USD 13.5 Million FCCBs outstanding for conversion as on 30th September, 2020. Further, the Company has defaulted in payment of Interest amounting to USD 0.48 Million for the period 25th May, 19 to 24th May, 2020.
- 4) The listed Non-Convertible Debentures of the Company aggregating to Rs. 500 Crore outstanding as on 30th September, 2020 are secured by way of first pari-passu charge on the Company's certain properties and the asset cover thereof exceeds one hundred percent of the principal amount of the said debentures. However, Considering the impairment of Textile Division assets carried out as per requirements under the Accounting Standards, the asset cover thereof is lower than required one hundred twenty five percent of the principal amount of the said debentures as per the terms of Debentures.
- 5) Details of Secured Non-Convertible Debentures of Sintex Industries Limited are as follows:

| Sr No        | Particulars              | Previous Due Date<br>(1st April 20 till 30th September 20) |                                    | Next Due Date<br>(1st October 20 till 31st March 21) |                                         |
|--------------|--------------------------|------------------------------------------------------------|------------------------------------|------------------------------------------------------|-----------------------------------------|
|              |                          | Principal                                                  | Interest                           | Principal                                            | Interest                                |
| 1            | Rs. 112.50 Crores        | 11th June, 2020                                            | 11th June, 2020<br>11th Sept, 2020 |                                                      | 11th December, 2020<br>11th March, 2021 |
| 2            | Rs. 137.50 Crores        | 30th<br>September, 2020                                    | 30th June, 2020<br>30th Sept, 2020 |                                                      | 30th December, 2020<br>30th March, 2021 |
| 3            | Rs. 250.00 Crores        | -                                                          | 8th April, 2020<br>8th July 2020   | 8th October, 2020                                    | 8th October, 2020                       |
| <b>Total</b> | <b>Rs. 500.00 Crores</b> |                                                            |                                    |                                                      |                                         |

- 6) The Company is undergoing substantial financial stress and severe liquidity constraints since last Financial Year coupled with changed industrial dynamics, time and cost overrun in completion of its projects, reduction in subsidies and incentive benefits, Covid related disruptions etc. The company has defaulted in debt obligation of debentures aggregating to Rs. 466.67 Crores for the period April, 19 to September, 20 apart from other credit facilities. Further, Company's inability to meet its obligation in relation to the payment of certain letters of credit which led to devolvement and consequent over utilization of the cash credit facilities availed by the Company, delay in payment of certain term loan instalments as well as interest thereof. The Company's credit rating is "BWR D" from Brickwork Ratings India Pvt. Ltd. for Non-Convertible Debentures. However, Company has made provision for interest for the period April, 2019 to September, 2020.

The Company submitted a Comprehensive Resolution Plan to all the lenders involving the re-structuring of debt availed. The proposal was prepared in accordance with the requirement set out in the circular issued by the Reserve Bank of India No. RBI/2018-19/203.DBR.NO.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019, which was not accepted in all lenders meeting held on 5th July, 2019. The Inter-Creditor Agreement (ICA) for a potential restructuring of the company's liabilities was signed on 6th July, 2019. The Company submitted a revised Resolution Plan to lenders on 16th December, 2019, which was not accepted by the lenders due to higher provisioning requirement, post which petition has been filed by the financial creditors before the National Company Law Tribunal (NCLT), Ahmedabad under Section 7 of Insolvency and Bankruptcy Code, 2016 for initiating Corporate Insolvency Resolution Process (CIRP) against the company. The petition has yet not got admitted. Company has once again submitted resolution plan on 14th August, 2020. The ability of the company to continue as going-concern is predicated upon the outcome of revised resolution plan submitted to lenders, outcome of CIRP and scale up of company level of operations post Covid 19. In view of the same, results have been prepared on the basis that the company is a going-concern.

- 7) The company has discontinued the manufacturing operations of structured fabrics (except bleaching facility) at Kalol effective from 1st July, 2019 on account of high cost of operations. The management of the company has proposed to dispose of the assets after obtaining requisite approvals including approval from lenders. The proceeds shall be utilized for repayment of borrowings. The management of the company has assessed that any provision needs to be recognised on account of the impairment of assets in respect of property, plant and equipment of its Textile Division. The higher of Textile Division assets fair value (less cost of disposal) and its value in use as estimated by the management and is found lower than its carrying amount as per books of accounts of the company and hence the management has recognised impairment loss of Rs. 426.64 crores for first quarter ended June 2020. Therefore, the impairment loss has been shown under "Exceptional Item".

- 8) Ind AS 12, 'Income Taxes' requires the company to determine probability of sufficient taxable income to utilize the deferred tax assets including MAT credit. Considering the factors described in Note 6 above, the company is of the view not to recognize deferred tax assets during the quarter under review.

- 9) Insurance claims aggregating to Rs. 23.35 crores comprising of claim of Rs. 23.11 crores of F.Y. 2016-17 and Rs.0.24 crores of F.Y. 2018-19 are outstanding as on 30th September, 2020. The Company has received claim of Rs. 1.44 Crores on 28th August, 2020 as final settlement against claim of Rs. 1.68 Crores for the FY 18-19. The insurance company has repudiated claim pertaining to FY 2016 - 17. Management of company has filed reply against the same and is hopeful of settling the claims in full. If required, company would also explore to take legal actions for recovery of outstanding claim.

- 10) Punjab National Bank (PNB), the lead consortium Bank had appointed M/s. G. D. Apte & Co., the Chartered Accountants as the forensic Auditor for audit of books of accounts of the Company for five financial years i.e. F.Y. 2014-15 to F.Y. 2018-19 in the consortium meeting of the Lenders held on 5th July, 2019, as per the Reserve Bank of India's Guidelines.

PNB vide its announcement dated 30th September, 2020 reported to the stock exchanges, as to alleged borrowal fraud of Rs.1203.26 crore in NPA account of the Company, with corollary provision of Rs.215.21crore, at Large Corporate Branch at Ahmedabad, Zonal Office, Ahmedabad, which is purportedly being reported by PNB to Reserve Bank of India.

The Company has clarified that it had not received prior intimation from PNB as to conclusion of fraud in its NPA account and also the Company has not received forensic audit report including basis for declaring the account of the Company as Fraud. The Company is in the process of adopting pro-active steps for enquiry with PNB. Management is of the view that classification of fraud by forensic auditor is unjust and unfair. Further declaration of fraud by PNB and other consortium lenders is unjust and unlawful.

Further, the Company has filed Writ Petition (Civil) No. 6830 of 2020 in the Hon'ble Delhi High Court challenging the Reserve Bank of India Master Circular on Fraud - Classification and Reporting by Commercial Banks and Select Financial Institutions bearing RBI/DBS/2016-17/28, DBS.CO.CFMC.BC.Mp.1/23 04.001/2016-17 dated 1 June 2016 on grounds that it breaches principles of natural justice on multiple accounts, with the most blatant breach being the manner and mechanism for identification and declaration of an account as 'fraud'.

Against the reporting by South Indian Bank purporting to declare fraud to the Reserve Bank of India, the Hon'ble Delhi High Court on application of the Company, has (in the said Writ Petition (Civil) No. 6830 of 2020), granted relief of 'stay' in relation to the impugned action of lender South Indian Bank Limited declaring fraud in the account of the Company to the Reserve Bank of India.

The Company has also filed writ petition (No. 7825 of 2020) against PNB in the Hon'ble Delhi High Court for granting relief of 'stay', wherein similar reliefs are sought in relation to borrowal fraud reporting by Axis Bank and Karnataka Bank, with the latter filing a disclosure to the stock exchanges on 9 October 2020.

The Company has been working with its lenders to bring a resolution plan in place for its business activities.



- 11) Rs. 345.78 crores is outstanding as at 30th September, 2020 for subsidies receivables including interest subsidy of Rs. 210.96 crores receivable under Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS) announced by Ministry of Textiles, Government of India for various years from F.Y. 15-16 to F.Y. 19-20 upto May, 2019. This amount of subsidy benefit recognized is reduced from the borrowing costs in the respective years. The management is perusing for recovery of this amount of subsidy and is hopeful of realization of this amount.
- 12) In view of the continuing default in payment of dues, most of the lenders have sent notices / letters recalling their loans given and called upon the Company to pay entire dues and other liabilities. Hence in view of the said facts & considering the matter of prudence, whole of the longterm borrowing outstanding as on 30th September, 2020 has been classified as current borrowings.
- 13) The Company operates in Textile business which is the only reportable segment in accordance with the requirements of Ind-AS 108 "Operating Segments".
- 14) The Company's operations were impacted in the month of March 2020 due to shutdown of Lunsapur plant following nationwide lockdown by the Government of India in view of COVID-19, a pandemic caused by the novel Coronavirus. The Company is monitoring the situation closely. From 12th April 2020, operations have commenced in a phased manner with enforcement of strict working restrictions. The ability of the company to continue as going concern is predicted upon the outcome of revised resolution plan submitted to lenders, the outcome of CIRP and scale up of operations. The scale up of operations may be different then targeted, considering substantial volatility in market and risk averseness due to Covid 19, and is subject to opening of textile value chain (fabric/ garmenting) and pickup of exports for which company will keep updated.
- 15) The Company has decided not to opt new taxation scheme of Section 115BAA of the income tax Act 1961, Introduced by the Taxation Law (Amendment) ordinance 2019 effective from financial 2019-2020 in view of MAT Credit Availability, Accumulated Losses and Unabsorbed Depreciation.
- 16) During the quarter ended 30th September, 2020 the company has not granted any options under the "Sintex ESOP 2018" to Eligible employees of the Company.
- 17) Figures of the previous quarter/ year to date have been regrouped, wherever necessary to make it comparable.

For Sintex Industries Limited



Rahul A Patel

Chairman and Managing Director

DIN: 00171198

Place: Ahmedabad

Date: 10th November, 2020

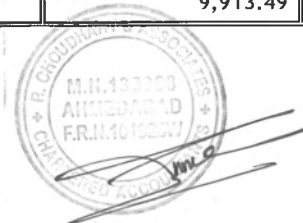


# SINTEX INDUSTRIES LIMITED

Standalone Balance Sheet as at September 30, 2020

(Rs. In crores)

|     | Particulars                                                                   | As at<br>September 30, 2020 | As at<br>March 31, 2020 |
|-----|-------------------------------------------------------------------------------|-----------------------------|-------------------------|
| I   | <b>ASSETS</b>                                                                 |                             |                         |
|     | <b>Non-current assets</b>                                                     |                             |                         |
|     | (a) Property, plant and equipment                                             | 7,443.34                    | 8,011.06                |
|     | (b) Capital work-in-progress                                                  | 1,065.56                    | 1,065.12                |
|     | (c) Intangible assets                                                         | 2.00                        | 2.41                    |
|     | (d) Financial assets                                                          |                             |                         |
|     | (i) Investments                                                               | 40.08                       | 40.08                   |
|     | (ii) Loans                                                                    | 3.56                        | 3.54                    |
|     | (e) Other non-current assets                                                  | 384.96                      | 384.01                  |
|     | (f) Non-current tax assets (net)                                              | 5.26                        | 46.90                   |
|     | <b>Total non-current assets</b>                                               | <b>8,944.76</b>             | <b>9,553.12</b>         |
|     | <b>Current assets</b>                                                         |                             |                         |
|     | (a) Inventories                                                               | 102.74                      | 119.09                  |
|     | (b) Financial assets                                                          |                             |                         |
|     | (i) Investments                                                               | -                           | -                       |
|     | (ii) Trade receivables                                                        | 126.70                      | 163.63                  |
|     | (iii) Cash and cash equivalents                                               | 17.50                       | 11.38                   |
|     | (iv) Bank balances other than (iii) above                                     | -                           | -                       |
|     | (v) Loans                                                                     | 62.06                       | 62.08                   |
|     | (c) Other current assets                                                      | 659.73                      | 648.63                  |
|     | <b>Total current assets</b>                                                   | <b>968.73</b>               | <b>1,004.81</b>         |
|     | <b>TOTAL ASSETS</b>                                                           | <b>9,913.49</b>             | <b>10,557.93</b>        |
| II. | <b>EQUITY AND LIABILITIES</b>                                                 |                             |                         |
|     | <b>Equity</b>                                                                 |                             |                         |
|     | (a) Equity share capital                                                      | 59.41                       | 59.41                   |
|     | (b) Other equity                                                              | 2,124.04                    | 3,070.11                |
|     | <b>Total equity</b>                                                           | <b>2,183.45</b>             | <b>3,129.52</b>         |
|     | <b>Liabilities</b>                                                            |                             |                         |
|     | <b>Non-current liabilities</b>                                                |                             |                         |
|     | (a) Financial liabilities                                                     |                             |                         |
|     | (i) Borrowings                                                                | 0.00                        | 0.00                    |
|     | (b) Provisions                                                                | 7.95                        | 5.44                    |
|     | (c) Deferred tax liabilities (Net)                                            | 0.00                        | 0.00                    |
|     | <b>Total non-current liabilities</b>                                          | <b>7.95</b>                 | <b>5.44</b>             |
|     | <b>Current liabilities</b>                                                    |                             |                         |
|     | (a) Financial liabilities                                                     |                             |                         |
|     | (i) Borrowings                                                                | 1,482.56                    | 1,487.71                |
|     | (ii) Trade payables                                                           |                             |                         |
|     | (a) Total outstanding dues of Micro and Small Enterprise                      | 3.31                        | 4.08                    |
|     | (b) Total outstanding dues of creditors other than micro and small enterprise | 126.04                      | 168.58                  |
|     | (iii) Other financial liabilities                                             | 6,104.97                    | 5,753.96                |
|     | (b) Other current liabilities                                                 | 2.27                        | 3.37                    |
|     | (c) Provisions                                                                | 2.94                        | 5.27                    |
|     | <b>Total current liabilities</b>                                              | <b>7,722.09</b>             | <b>7,422.97</b>         |
|     | <b>Total liabilities</b>                                                      | <b>7,730.04</b>             | <b>7,428.41</b>         |
|     | <b>TOTAL EQUITY AND LIABILITIES</b>                                           | <b>9,913.49</b>             | <b>10,557.93</b>        |



# SINTEX INDUSTRIES LIMITED

Standalone Statement of cash flows for the half year ended September 30, 2020

(Rs. In Crores)

| Particulars                                                                         | For the half year ended<br>September 30, 2020 | For the half year ended<br>September 30, 2019 |
|-------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>A. Cash flow from operating activities</b>                                       |                                               |                                               |
| Net profit before tax and Exceptional Item                                          | (519.57)                                      | (672.41)                                      |
| Adjustments for:                                                                    |                                               |                                               |
| Unrealised Forex Loss                                                               | 7.12                                          | -                                             |
| Provision for advances and Subsidy and Bad Debts written off                        | -                                             | 174.22                                        |
| Interest income                                                                     | (2.79)                                        | (5.15)                                        |
| Depreciation and amortisation expenses                                              | 141.50                                        | 142.31                                        |
| Finance cost                                                                        | 376.30                                        | 334.60                                        |
| Loss/(gain) on sale/ impairment of property, plant and equipment                    | -                                             | (0.04)                                        |
| <b>Operating profit before working capital changes</b>                              | <b>2.56</b>                                   | <b>(26.47)</b>                                |
| <b>Adjustments for increase/decrease in Operating Assets/ Liabilities:</b>          |                                               |                                               |
| Trade receivables, loans and other assets                                           | 25.73                                         | 199.47                                        |
| Inventories                                                                         | 16.35                                         | 110.97                                        |
| Trade payables, other liabilities and provisions                                    | (47.22)                                       | (478.37)                                      |
| <b>Cash generated from operations</b>                                               | <b>(2.58)</b>                                 | <b>(194.40)</b>                               |
| Direct taxes (paid)/Refund                                                          | 41.79                                         | 16.46                                         |
| <b>Net cash generated from operations (A)</b>                                       | <b>39.21</b>                                  | <b>(177.95)</b>                               |
| <b>B. Cash flow from investing activities</b>                                       |                                               |                                               |
| Purchase of property, plant and equipment/addition to capital-work-in progress(net) | (1.39)                                        | (67.67)                                       |
| Sale of fixed assets                                                                | -                                             | 7.33                                          |
| (Purchase)/sale of current investments                                              | -                                             | (33.29)                                       |
| Interest received                                                                   | 2.88                                          | 5.98                                          |
| Bank deposits received/( placed )                                                   | -                                             | (7.90)                                        |
| <b>Net cash used in investing activities (B)</b>                                    | <b>1.49</b>                                   | <b>(95.55)</b>                                |
| <b>C. Cash flow from financing activities</b>                                       |                                               |                                               |
| Proceeds from long term borrowings                                                  | -                                             | -                                             |
| Repayments of long term borrowings                                                  | (0.00)                                        | (269.27)                                      |
| Net increase/(decrease) in working capital borrowings                               | (5.15)                                        | 620.09                                        |
| Interest Paid                                                                       | (29.43)                                       | (126.61)                                      |
| <b>Net cash generated from financing activities (C)</b>                             | <b>(34.58)</b>                                | <b>224.21</b>                                 |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>                 | <b>6.12</b>                                   | <b>(49.29)</b>                                |
| Cash and cash equivalents at the beginning of the year                              | 11.38                                         | 73.72                                         |
| <b>Cash and cash equivalents at the end of the period</b>                           | <b>17.50</b>                                  | <b>24.43</b>                                  |





**Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**REVIEW REPORT TO  
THE BOARD OF DIRECTORS  
SINTEX INDUSTRIES LIMITED**

1. We have reviewed the accompanying statement of unaudited standalone financial results of **SINTEX INDUSTRIES LIMITED** (the "Company") for the Quarter and Half year ended September 30, 2020 (the "Statement") attached herewith, being submitted by the company pursuant to the requirements of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulation").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free of material misstatement. A Review of interim financial information consists of making inquiries, primarily of person responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally



accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

#### 5. Emphasis of Matter Paragraph:

- i. We draw attention to Note 4 of the statement, which state that the Listed Non-Convertible Debentures of the Company aggregating to Rs. 500 Crore outstanding as on 30<sup>th</sup> September, 2020 are secured by way of first pari-passu charge on the Company's certain properties and the asset cover thereof exceeds one hundred percent of the principal amount of the said debentures. However, Considering the impairment of Textile Division assets carried out as per requirements under the Accounting Standards, the asset cover thereof is lower than required one hundred twenty-five percent of the principal amount of the said debentures as per the terms of Debentures.
- ii. We draw attention to Note 6 of the statement, which states that The Company retained its credit rating of "BWR D" from Brickwork Ratings India Pvt. Ltd. for Non-Convertible Debentures. As described in said Note, the company's ability to continue as going-concern depends on outcome of various legal cases pending at NCLT under Insolvency and Bankruptcy Code, 2016 and scale up of company's level of operations. All the current developments raise doubt on the ability of the company to continue as going concern and, therefore, it may be unable to realize its asset and discharge its liabilities in the normal course of business. These factors along with other matters as set forth in the said notice raise substantial doubt about the company's ability to continue as a going concern the foreseeable future. The ability of the company to continue as going concern is depend upon the factors described in the said Note, which are not within the company's control. The management has prepared the statement following going concern basis of accounting based on their assessment of the successful outcome of above referred actions and accordingly, no adjustments have been made to the carrying value of assets and liabilities, which may affect the results shown in the statement except for impairment of assets for Textile Division as mentioned in Note 7.
- iii. We draw attention to Note 7 to the statement with respect to impairment of assets. As describe in the said note, the management has recognised impairment loss of Rs.426.64 crores for the first quarter ended June 2020. The management has considered information available to them as the basis of valuation for all the Property, Plant and Equipment. The



actual impact may be different from that considered in assessing the recoverable amount of these Property, Plant and Equipment in present situation. This estimate and judgment of the management being inherently subjective and technical as well as considering the facts of the case, we have relied upon the management representation.

- iv. We draw attention to Note 9 to the statement with respect to insurance claim receivable of Rs. 23.35 Crores lodged in the earlier years which are outstanding as on 30<sup>th</sup> September 2020 for settlement of which management of the company is hopeful.
- v. We draw attention to Note 10 to the statement with respect to forensic audit conducted by M/s. G. D. Apte & Co., the Chartered Accountants, wherein PNB vide its announcement dated 30th September, 2020 reported to the stock exchanges, as to alleged borrowal fraud of Rs.1203.26 crore in NPA account of the Company, with corollary provision of Rs.215.21crore, at Large Corporate Branch at Ahmedabad, Zonal Office, Ahmedabad, which is purportedly being reported by PNB to Reserve Bank of India. The Company has clarified that it had not received prior intimation from PNB as to conclusion of fraud in its NPA account and also the Company has not received forensic audit report including basis for declaring the account of the Company as Fraud. The Company is in the process of adopting pro-active steps for enquiry with PNB.
- vi. We draw attention to Note 11 to the statement with respect to realization of subsidies aggregating to Rs 210.96 Crores. As per the information and explanations furnished to us, the management is taking necessary actions for realization of these subsidies and as stated in the said Note, the management is hopeful of receipt of this amount.
- vii. We draw attention to Note 12 to the standalone financial statement, with respect to continuing default in payment of dues, most of the lenders have sent notice/ letters recalling their loans given and called upon the Company to pay entire dues and other liabilities. Hence in view of the said facts & considering the matter of prudence, whole of the long-term borrowing outstanding as on 30<sup>th</sup> September, 2020 has been classified as current borrowings.
- viii. We draw attention to Note 14 to the standalone financial statement, with respect to assessment of the recoverability of certain assets, the management has considered internal and external information upto the date of this report in respect of the current and estimated future global including Indian economic indicators consequent to the global



health pandemic of Covid 19. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

Our conclusion is not modified in respect of above matters.

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

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



**Place: Ahmedabad**  
**Date: 10<sup>th</sup> November, 2020**

**UDIN: - 20133388AAAAVJ5912**

# Sintex Industries Limited

Regd. Office : Kalol - 382 721, India

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

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

CIN : L17110GJ1931PLC000454



## Statement of Unaudited Consolidated Financial results for the Quarter and Half Year ended 30th September, 2020

(Rs. in Crores except per share data)

| Sr No | Particulars                                                                       | Unaudited       |                 |                 | Unaudited       |                 | Audited           |
|-------|-----------------------------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|
|       |                                                                                   | Quarter ended   |                 |                 | Half Year ended |                 | Year ended        |
|       |                                                                                   | 30-Sep-20       | 30-Jun-20       | 30-Sep-19       | 30-Sep-20       | 30-Sep-19       | 31-Mar-20         |
| 1     | <b>Income</b>                                                                     |                 |                 |                 |                 |                 |                   |
|       | (a) Revenue from operations                                                       | 308.53          | 141.90          | 288.59          | 450.43          | 834.79          | 1,701.19          |
|       | (b) Other Income                                                                  | 14.22           | 3.41            | 10.06           | 17.63           | 25.10           | 40.11             |
|       | <b>Total Income</b>                                                               | <b>322.75</b>   | <b>145.31</b>   | <b>298.65</b>   | <b>468.06</b>   | <b>859.89</b>   | <b>1,741.30</b>   |
| 2     | <b>Expenses</b>                                                                   |                 |                 |                 |                 |                 |                   |
|       | (a) Cost of materials consumed                                                    | 203.90          | 89.14           | 187.82          | 293.04          | 485.46          | 1,097.22          |
|       | (b) Purchase of stock in trade                                                    | 0.00            | -               | -               | 0.00            | 0.18            | 0.18              |
|       | (c) Changes in inventories of finished goods, work-in-progress and stock in trade | 13.71           | 11.53           | 15.82           | 25.24           | 165.39          | 152.78            |
|       | (d) Employee benefits expense                                                     | 30.81           | 28.11           | 36.08           | 58.92           | 88.20           | 157.66            |
|       | (e) Finance Costs                                                                 | 185.91          | 190.58          | 172.17          | 376.49          | 339.09          | 747.58            |
|       | (f) Depreciation and amortisation expense                                         | 71.12           | 70.38           | 71.52           | 141.50          | 142.34          | 284.45            |
|       | (g) Other expenses                                                                | 55.92           | 37.63           | 59.81           | 93.55           | 318.83          | 643.82            |
|       | <b>Total expenses</b>                                                             | <b>561.37</b>   | <b>427.37</b>   | <b>543.22</b>   | <b>988.74</b>   | <b>1,539.49</b> | <b>3,083.69</b>   |
| 3     | <b>Profit/(Loss) before tax and Exceptional item (1) - (2)</b>                    | <b>(238.62)</b> | <b>(282.06)</b> | <b>(244.57)</b> | <b>(520.68)</b> | <b>(679.60)</b> | <b>(1,342.39)</b> |
| 4     | <b>Exceptional item</b>                                                           | <b>(0.00)</b>   | <b>426.64</b>   | <b>-</b>        | <b>426.64</b>   | <b>-</b>        | <b>-</b>          |
| 5     | <b>Profit/(Loss) before tax (3)-(4)</b>                                           | <b>(238.62)</b> | <b>(708.70)</b> | <b>(244.57)</b> | <b>(947.32)</b> | <b>(679.60)</b> | <b>(1,342.39)</b> |
| 6     | <b>Tax expense/(benefit)</b>                                                      |                 |                 |                 |                 |                 |                   |
|       | (a) Current tax (net of MAT credit entitlement)                                   | -               | -               | -               | -               | -               | -                 |
|       | (b) Deferred tax                                                                  | 0.18            | 0.01            | (2.28)          | 0.19            | (4.38)          | (79.86)           |
|       | (c) Short/(Excess) provision of tax for earlier years                             | (0.11)          | (0.03)          | 0.47            | (0.14)          | (5.68)          | (6.12)            |
|       | <b>Tax expense/(benefit)</b>                                                      | <b>0.07</b>     | <b>(0.02)</b>   | <b>(1.81)</b>   | <b>0.05</b>     | <b>(10.06)</b>  | <b>(85.98)</b>    |
| 7     | <b>Net Profit after tax (5) - (6)</b>                                             | <b>(238.69)</b> | <b>(708.68)</b> | <b>(242.76)</b> | <b>(947.37)</b> | <b>(669.54)</b> | <b>(1,256.41)</b> |
| 8     | <b>Other Comprehensive Income</b>                                                 |                 |                 |                 |                 |                 |                   |
|       | (a) Items that will not be reclassified to profit or loss                         | -               | -               | -               | -               | (0.17)          | (2.19)            |
|       | (b) Income tax effect on above                                                    | -               | -               | -               | -               | -               | -                 |
|       | (c) Items that will be reclassified to profit or loss                             | -               | -               | -               | -               | -               | -                 |
|       | (d) Income tax effect on above                                                    | -               | -               | -               | -               | -               | -                 |
| 9     | <b>Total Comprehensive Income (7+8)</b>                                           | <b>(238.69)</b> | <b>(708.68)</b> | <b>(242.76)</b> | <b>(947.37)</b> | <b>(669.71)</b> | <b>(1,258.60)</b> |
| 10    | <b>Paid-up equity share capital (Face value of Rs. 1 each)</b>                    | <b>59.41</b>    | <b>59.41</b>    | <b>59.41</b>    | <b>59.41</b>    | <b>59.41</b>    | <b>59.41</b>      |
| 11    | <b>Other Equity</b>                                                               |                 |                 |                 | -               |                 | <b>3,080.60</b>   |
| 12    | <b>Earnings per share</b>                                                         |                 |                 |                 |                 |                 |                   |
| a     | Basic (in Rs.)                                                                    | (4.02)          | (11.93)         | (4.09)          | (15.95)         | (11.27)         | (21.15)           |
| b     | Diluted (in Rs.)                                                                  | (4.02)          | (11.93)         | (4.09)          | (15.95)         | (11.27)         | (21.15)           |
| 13    | <b>Debenture Redemption Reserve</b>                                               |                 |                 |                 |                 |                 | <b>111.03</b>     |
| 14    | <b>Net Worth</b>                                                                  |                 |                 |                 |                 |                 | <b>3,140.01</b>   |



# Notes to the unaudited Consolidated Financial Results for the Quarter and Half Year Ended September 30, 2020

- 1) The above financial results of the Company were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 10th November, 2020. The Statutory Auditor of the Company has reviewed aforesaid results.
- 2) These financial results have been prepared in accordance with Indian Accounting Standards (Ind-AS) as prescribed under section 133 of Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 and relevant amendment thereafter.
- 3) With respect to USD 110 Million Foreign Currency Convertible Bonds due 2022 (FCCBs) raised by the Company, there are USD 13.5 Million FCCBs outstanding for conversion as on 30th September, 2020. Further, company has defaulted in payment of Interest amounting to USD 0.48 Million for the period 25th May'19 to 24th May'20

- 4) The listed Non-Convertible Debentures of the Company aggregating to Rs. 500 Crore outstanding as on 30th September, 2020 are secured by way of first pari-passu charge on the Company's certain properties and the asset cover thereof exceeds one hundred percent of the principal amount of the said debentures. However, Considering the impairment of Textile Division assets carried out as per requirements under the Accounting Standards, the asset cover thereof is lower than required one hundred twenty five percent of the principal amount of the said debentures as per the terms of Debentures.

- 5) Details of Secured Non-Convertible Debentures of Sintex Industries Limited are as follows:

| Sr No        | Particulars              | Previous Due Date<br>(1st April 20 till 30th September 20) |                                                            | Next Due Date<br>(1st October 20 till 31st March 21) |                                         |
|--------------|--------------------------|------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|-----------------------------------------|
|              |                          | Principal                                                  | Interest                                                   | Principal                                            | Interest                                |
| 1            | Rs. 112.50 Crores        | 11 <sup>th</sup> June, 2020                                | 11 <sup>th</sup> June, 2020<br>11 <sup>th</sup> Sept, 2020 |                                                      | 11th December, 2020<br>11th March, 2021 |
| 2            | Rs. 137.50 Crores        | 30 <sup>th</sup> September, 2020                           | 30 <sup>th</sup> June, 2020<br>30 <sup>th</sup> Sept, 2020 |                                                      | 30th December, 2020<br>30th March, 2021 |
| 3            | Rs. 250.00 Crores        | -                                                          | 8th April, 2020<br>8th July 2020                           | 8th October, 2020                                    | 8th October, 2020                       |
| <b>Total</b> | <b>Rs. 500.00 Crores</b> |                                                            |                                                            |                                                      |                                         |

- 6) The Company is undergoing substantial financial stress and severe liquidity constraints since last Financial Year coupled with changed industrial dynamics, time and cost overrun in completion of its projects, reduction in subsidies and incentive benefits, Covid related disruptions etc. The company has defaulted in debt obligation of debentures aggregating to Rs. 466.67 Crores for the period April, 19 to September, 20 apart from other credit facilities. Further, Company's inability to meet its obligation in relation to the payment of certain letters of credit which led to devolvement and consequent over utilization of the cash credit facilities availed by the Company, delay in payment of certain term loan instalments as well as interest thereof. The Company's credit rating is "BWR D" from Brickwork Ratings India Pvt. Ltd. for Non-Convertible Debentures. However, Company has made provision for interest for the period April, 2019 to September, 2020.

The Company submitted a Comprehensive Resolution Plan to all the lenders involving the re-structuring of debt availed. The proposal was prepared in accordance with the requirement set out in the circular issued by the Reserve Bank of India No. RBI/2018-19/203.DBR.NO.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019, which was not accepted in all lenders meeting held on 5th July, 2019. The Inter-Creditor Agreement (ICA) for a potential restructuring of the company's liabilities was signed on 6th July, 2019. The Company submitted a revised Resolution Plan to lenders on 16th December, 2019, which was not accepted by the lenders due to higher provisioning requirement, post which petition has been filed by the financial creditors before the National Company Law Tribunal (NCLT), Ahmedabad under Section 7 of Insolvency and Bankruptcy Code, 2016 for initiating Corporate Insolvency Resolution Process (CIRP) against the company. The petition has yet not got admitted. Company has once again submitted resolution plan on 14th August, 2020. The ability of the company to continue as going-concern is predicated upon the outcome of revised resolution plan submitted to lenders, outcome of CIRP and scale up of company level of operations post Covid 19. In view of the same, results have been prepared on the basis that the company is a going-concern.

- 7) The company has discontinued the manufacturing operations of structured fabrics (except bleaching facility) at Kalol effective from 1st July, 2019 on account of high cost of operations. The management of the company has proposed to dispose of the assets after obtaining requisite approvals including approval from lenders. The proceeds shall be utilized for repayment of borrowings. The management of the company has assessed that any provision needs to be recognised on account of the impairment of assets in respect of property, plant and equipment of its Textile Division. The higher of Textile Division assets fair value (less cost of disposal) and its value in use as estimated by the management and is found lower than its carrying amount as per books of accounts of the company and hence the management has recognised impairment loss of Rs. 426.64 crores for first quarter ended June 2020. Therefore, the impairment loss has been shown under "Exceptional Item".

- 8) Ind AS 12, "Income Taxes" requires the company to determine probability of sufficient taxable income to utilize the deferred tax assets including MAT credit. Considering the factors described in Note 5 above, the company is of the view not to recognize deferred tax assets during the quarter under review.

- 9) Insurance claims aggregating to Rs. 23.35 crores comprising of claim of Rs. 23.11 crores of F.Y. 2016-17 and Rs. 0.24 crores of F.Y. 2018-19 are outstanding as on 30th June, 2020. The Company has received claim of Rs. 1.44 Crores on 28th August, 2020 as final settlement against claim of Rs. 1.68 Crores for the FY 18-19. The insurance company has repudiated claim pertaining to FY 2016 - 17. Management of company has filed reply against the same and is hopeful of settling the claims in full. If required, company would also explore to take legal actions for recovery of outstanding claim.

- 10) Punjab National Bank (PNB), the lead consortium Bank had appointed M/s. G. D. Apte & Co., the Chartered Accountants as the forensic Auditor for audit of books of accounts of the Company for five financial years i.e. F.Y. 2014-15 to F.Y. 2018-19 in the consortium meeting of the Lenders held on 5th July, 2019, as per the Reserve Bank of India's Guidelines.

PNB vide its announcement dated 30th September, 2020 reported to the stock exchanges, as to alleged borrowal fraud of Rs. 1203.26 crore in NPA account of the Company, with corollary provision of Rs. 215.21 crore, at Large Corporate Branch at Ahmedabad, Zonal Office, Ahmedabad, which is purportedly being reported by PNB to Reserve Bank of India.

The Company has clarified that it had not received prior intimation from PNB as to conclusion of fraud in its NPA account and also the Company has not received forensic audit report including basis for declaring the account of the Company as Fraud. The Company is in the process of adopting pro-active steps for enquiry with PNB. Management is of the view that classification of fraud by forensic auditor is unjust and unfair. Further declaration of fraud by PNB and other consortium lenders is unjust and unlawful.

Further, the Company has filed Writ Petition (Civil) No. 6830 of 2020 in the Hon'ble Delhi High Court challenging the Reserve Bank of India Master Circular on Fraud. -Classification and Reporting by Commercial Banks and Select Financial Institutions bearing RBI/DBS/2016-17/28, DBS.CO.CFMC.BC.Mp.1/23.04.001/2016-17 dated 1 June 2016 on grounds that it breaches principles of natural justice on multiple accounts, with the most blatant breach being the manner and mechanism for identification and declaration of an account as 'fraud'

Against the reporting by South Indian Bank purporting to declare fraud to the Reserve Bank of India, the Hon'ble Delhi High Court on application of the Company, has (in the said Writ Petition (Civil) No. 6830 of 2020), granted relief of 'stay' in relation to the impugned action of lender South Indian Bank Limited declaring fraud in the account of the Company to the Reserve Bank of India.

The Company has also filed writ petition (No. 7825 of 2020) against PNB in the Hon'ble Delhi High Court for granting relief of 'stay', wherein similar reliefs are sought in relation to borrowal fraud reporting by Axis Bank and Karnataka Bank, with the latter filing a disclosure to the stock exchanges on 9 October 2020.

The Company has been working with its lenders to bring a resolution plan in place for its business activities.



- 11) Rs. 345.78 crores is outstanding as at 30th September, 2020 for subsidies receivables including interest subsidy of Rs. 210.96 crores receivable under Revised Restructured Technology Upgradation Fund Scheme (RR-TUFS) announced by Ministry of Textiles, Government of India for various years from F.Y. 15-16 to F.Y. 19-20 upto May, 2019. This amount of subsidy benefit recognized is reduced from the borrowing costs in the respective years. The management is perusing for recovery of this amount of subsidy and is hopeful of realization of this amount.
- 12) In view of the continuing default in payment of dues, most of the lenders have sent notices / letters recalling their loans given and called upon the Company to pay entire dues and other liabilities. Hence in view of the said facts & considering the matter of prudence, whole of the longterm borrowing outstanding as on 30th September, 2020 has been classified as current borrowings.
- 13) In case of BVM Overseas Limited, HDFC Bank & RBL Bank has appropriated Rs. 37.69 Crores & Rs. 21.00 Crores from the funds lying in current account of the company with the respective banks against the default in servicing various credit facilities by group companies. Company is in process of taking up the matter with respective banks for recovery of the same. Hence amount of Rs. 58.69 Crores has been disclosed as receivable from respective banks in the financial statement.
- 14) The Group operates in Textile business which is the only reportable segment in accordance with the requirements of Ind-AS 108 "Operating Segments".
- 15) The key numbers of Standalone Financial Results of the Company for the quarter & half year ended are as under:

(Rs. In crores)

| Particulars                                        | Quarter ended on<br>September 30, 2020 | Quarter ended on June<br>30, 2020 | Quarter ended on<br>September 30, 2019 | Half year ended on<br>September 30, 2020 | Half year ended on<br>September 30, 2019 | For the year-<br>ended March 31,<br>2020 |
|----------------------------------------------------|----------------------------------------|-----------------------------------|----------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
|                                                    | Unaudited                              | Unaudited                         | Unaudited                              | Unaudited                                | Unaudited                                | Audited                                  |
| Total Operating Income                             | 288.48                                 | 150.59                            | 279.19                                 | 439.07                                   | 761.91                                   | 1,634.92                                 |
| Profit / (Loss) before tax                         | (238.29)                               | (707.92)                          | (243.12)                               | (946.21)                                 | (672.41)                                 | (1,334.67)                               |
| Total Comprehensive / (Loss) Income<br>(after tax) | (238.18)                               | (707.89)                          | (243.12)                               | (946.07)                                 | (664.33)                                 | (1,252.17)                               |

- 16) The Group's operations were impacted in the month of March 2020 due to shutdown of Lunsapur plant following nationwide lockdown by the Government of India in view of COVID-19, a pandemic caused by the novel Coronavirus. The Company is monitoring the situation closely. From 12th April 2020, operations have commenced in a phased manner with enforcement of strict working restrictions. The ability of the company to continue as going concern is predicted upon the outcome of revised resolution plan submitted to lenders, the outcome of CIRP and scale up of operations. The scale up of operations may be different then targeted, considering substantial volatility in market and risk averseness due to Covid 19, and is subject to opening of textile value chain (fabric/ garmenting) and pickup of exports for which company will keep updated.
- 17) The Group has decided not to opt new taxation scheme of Section 115BAA of the income tax Act 1961, Introduced by the Taxation Law (Amendment) ordinance 2019 effective from financial 2019-2020 in view of MAT Credit Availability, Accumulated Losses and Unabsorbed Depreciation.
- 18) During the quarter ended 30th September 2020, the company has not granted any options under the "Sintex ESOP 2018" to Eligible employees of the Company.
- 19) Figures of the previous quarter / year to date have been regrouped, wherever necessary to make it comparable.

For Sintex Industries Limited

Rahul A Patel

Chairman and Managing Director

DIN: 00171198

Place: Ahmedabad

Date: 10th November, 2020



**SINTEX INDUSTRIES LIMITED**

Consolidated Balance Sheet as at September 30, 2020

(Rs. In crores)

| Particulars |                                                                               | As at<br>September 30, 2020 | As at<br>March 31, 2020 |
|-------------|-------------------------------------------------------------------------------|-----------------------------|-------------------------|
| I           | <b>ASSETS</b>                                                                 |                             |                         |
|             | <b>Non-current assets</b>                                                     |                             |                         |
|             | (a) Property, plant and equipment                                             | 7,443.42                    | 8,011.14                |
|             | (b) Capital work-in-progress                                                  | 1,065.56                    | 1,065.12                |
|             | (c) Other Intangible assets                                                   | 2.00                        | 2.41                    |
|             | (d) Financial Assets                                                          |                             |                         |
|             | (i) Investments                                                               | 35.58                       | 35.58                   |
|             | (ii) Loans                                                                    | 3.66                        | 3.65                    |
|             | (e) Deferred tax assets                                                       | 1.10                        | 1.30                    |
|             | (f) Other non-current assets                                                  | 384.96                      | 384.01                  |
|             | (g) Non-current tax assets (net)                                              | 5.27                        | 46.97                   |
|             | <b>Total non-current assets</b>                                               | <b>8,941.55</b>             | <b>9,550.19</b>         |
|             | <b>Current assets</b>                                                         |                             |                         |
|             | (a) Inventories                                                               | 109.93                      | 137.72                  |
|             | (b) Financial assets                                                          |                             |                         |
|             | (i) Investments                                                               | -                           | -                       |
|             | (ii) Trade receivables                                                        | 58.65                       | 59.52                   |
|             | (iii) Cash and cash equivalents                                               | 26.50                       | 18.39                   |
|             | (iv) Bank balances other than (iii) above                                     | -                           | -                       |
|             | (v) Loans                                                                     | 62.08                       | 62.08                   |
|             | (vi) Other Financial Assets                                                   | -                           | -                       |
|             | (c) Other current assets                                                      | 729.58                      | 717.83                  |
|             | <b>Total current assets</b>                                                   | <b>986.74</b>               | <b>995.54</b>           |
|             | <b>TOTAL ASSETS</b>                                                           | <b>9,928.29</b>             | <b>10,545.73</b>        |
| II.         | <b>EQUITY AND LIABILITIES</b>                                                 |                             |                         |
|             | <b>Equity</b>                                                                 |                             |                         |
|             | <b>Equity attributable to owners of the parent</b>                            |                             |                         |
|             | (a) Equity share capital                                                      | 59.41                       | 59.41                   |
|             | (b) Other equity                                                              | 2,133.23                    | 3,080.60                |
|             | <b>Total equity</b>                                                           | <b>2,192.64</b>             | <b>3,140.01</b>         |
|             | <b>Liabilities</b>                                                            |                             |                         |
|             | <b>Non-current liabilities</b>                                                |                             |                         |
|             | (a) Financial liabilities                                                     |                             |                         |
|             | (i) Borrowings                                                                | 0.00                        | 0.00                    |
|             | (b) Provisions                                                                | 7.95                        | 5.44                    |
|             | (c) Deferred tax liabilities (net)                                            | 0.00                        | 0.00                    |
|             | <b>Total non-current liabilities</b>                                          | <b>7.95</b>                 | <b>5.44</b>             |
|             | <b>Current liabilities</b>                                                    |                             |                         |
|             | (a) Financial liabilities                                                     |                             |                         |
|             | (i) Borrowings                                                                | 1,482.56                    | 1,487.72                |
|             | (ii) Trade payables                                                           |                             |                         |
|             | (a) Total outstanding dues of Micro and Small Enterprise                      | 3.31                        | 4.08                    |
|             | (b) Total outstanding dues of creditors other than micro and small enterprise | 129.73                      | 144.87                  |
|             | (iii) Other financial liabilities                                             | 6,105.18                    | 5,754.38                |
|             | (b) Other current liabilities                                                 | 3.99                        | 3.96                    |
|             | (c) Provisions                                                                | 2.93                        | 5.27                    |
|             | <b>Total current liabilities</b>                                              | <b>7,727.70</b>             | <b>7,400.28</b>         |
|             | <b>Total liabilities</b>                                                      | <b>7,735.65</b>             | <b>7,405.72</b>         |
|             | <b>TOTAL EQUITY AND LIABILITIES</b>                                           | <b>9,928.29</b>             | <b>10,545.73</b>        |



**SINTEX INDUSTRIES LIMITED**

Consolidated Statement of cash flows for the half year ended September 30, 2020

(Rs. In crores)

| Particulars                                                                      | For the half year ended<br>September 30, 2020 | For the half year ended<br>September 30, 2019 |
|----------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| <b>A. Cash flow from operating activities</b>                                    |                                               |                                               |
| Net profit before tax and Exceptional Item                                       | (520.68)                                      | (679.60)                                      |
| Adjustments for:                                                                 |                                               |                                               |
| Unrealised Foreign Loss                                                          | 7.12                                          | -                                             |
| Provision for advances and subsidy, Bad Debts written off                        | -                                             | 174.22                                        |
| Interest income                                                                  | (2.79)                                        | (5.27)                                        |
| Depreciation and amortisation expenses                                           | 141.50                                        | 142.34                                        |
| Finance cost                                                                     | 376.49                                        | 339.09                                        |
| Loss/(gain) on sale/ impairment of property, plant and equipment                 | -                                             | (0.04)                                        |
| <b>Operating profit before working capital changes</b>                           | <b>1.64</b>                                   | <b>(29.26)</b>                                |
| <b>Adjustments for increase/decrease in Operating Assets/ Liabilities:</b>       |                                               |                                               |
| Trade receivables, loans and other assets                                        | (10.96)                                       | 343.76                                        |
| Inventories                                                                      | 27.78                                         | 192.10                                        |
| Trade payables, other liabilities and provisions                                 | (18.69)                                       | (675.87)                                      |
| <b>Cash generated from operations</b>                                            | <b>(0.23)</b>                                 | <b>(169.27)</b>                               |
| Direct taxes paid (Net)                                                          | 41.85                                         | 16.48                                         |
| <b>Net cash generated from operations activities (A)</b>                         | <b>41.62</b>                                  | <b>(152.79)</b>                               |
| <b>B. Cash flow from investing activities</b>                                    |                                               |                                               |
| Purchase of property, plant and equipment / addition to capital-work-in progress | (1.39)                                        | (67.67)                                       |
| Sale of fixed assets                                                             | -                                             | 7.33                                          |
| (Purchase)/sale of current investments                                           | -                                             | (33.31)                                       |
| Interest received                                                                | 2.88                                          | 6.09                                          |
| Bank deposits received/( placed )                                                | -                                             | (7.90)                                        |
| <b>Net cash used in investing activities (B)</b>                                 | <b>1.49</b>                                   | <b>(95.46)</b>                                |
| <b>C. Cash flow from financing activities</b>                                    |                                               |                                               |
| Proceeds from long term borrowings                                               | -                                             | -                                             |
| Repayments from long term borrowings                                             | 0.00                                          | (269.27)                                      |
| Net increase/(decrease) in working capital borrowings                            | (5.36)                                        | 620.09                                        |
| Finance cost                                                                     | (29.64)                                       | (130.56)                                      |
| Dividend paid                                                                    | (0.00)                                        | -                                             |
| <b>Net cash generated from financing activities (C )</b>                         | <b>(35.00)</b>                                | <b>220.26</b>                                 |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>              | <b>8.11</b>                                   | <b>(27.99)</b>                                |
| <b>Cash and cash equivalents at the beginning of the year</b>                    | <b>18.39</b>                                  | <b>80.26</b>                                  |
| <b>Cash and cash equivalents at the end of the year</b>                          | <b>26.50</b>                                  | <b>52.27</b>                                  |





*R. CHOUDHARY & ASSOCIATES*

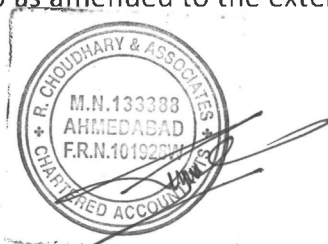
Chartered Accountants

**Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Result of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

**REVIEW REPORT TO,  
THE BOARD OF DIRECTORS OF  
SINTEX INDUSTRIES LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **SINTEX INDUSTRIES LIMITED** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), for the Quarter and Half year ended September 30, 2020 ("the Statement") attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulation").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on review Engagements (SRE) 2410 "Review of Interim Financial Information performed by the independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the SEBI under regulation 33(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 as amended to the extent applicable



4. The statement includes the results of the following entities;

**Holding:** - Sintex Industries Limited

**Subsidiary:** - BVM Overseas Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the information given by management referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard ("Ind As") specified under section 133 of the Companies Act, 2013, as amended, read with rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The accompanying statement of unaudited consolidated financial results includes unaudited interim financial information of 1 subsidiary half yearly results reflect total assets of **Rs. 109.02 Crores**, total revenues of **Rs. 118.22 crores**, net loss after tax of **Rs. 0.99 Crores** and total comprehensive loss of **Rs. 0.99 Crores** for the half year ended September 30, 2020 and net cash inflow of **Rs. 1.99 Crores** for the half year ended 30<sup>th</sup> September, 2020 which are certified by the management. According to information and explanations given to us by the management, these interim financial results and other financial information are not material to the Group.
7. **Emphasis of Matter:**
- i. We draw attention to Note 4 of the statement, which state that the Listed Non-Convertible Debentures of the Company aggregating to Rs. 500 Crore outstanding as on 30<sup>th</sup> September, 2020 are secured by way of first pari-passu charge on the Company's certain properties and the asset cover thereof exceeds one hundred percent of the principal amount of the said debentures. However, Considering the impairment of Textile Division assets carried out as per requirements under the Accounting Standards, the asset cover thereof is lower than required



one hundred twenty five percent of the principal amount of the said debentures as per the terms of Debentures

- ii. We draw attention to Note 6 of the statement, which states that The Company retained its credit rating of "BWR D" from Brickwork Ratings India Pvt. Ltd. for Non-Convertible Debentures. As described in said Note, the company's ability to continue as going-concern depends on outcome of various legal cases pending at NCLT under Insolvency and Bankruptcy Code, 2016 and scale up of company's level of operations. All the current developments raise doubt on the ability of the company to continue as going concern and, therefore, it may be unable to realize its asset and discharge its liabilities in the normal course of business. These factors along with other matters as set forth in the said notice raise substantial doubt about the company's ability to continue as a going concern the foreseeable future. The ability of the company to continue as going concern is depend upon the factors described in the said Note, which are not within the company's control. The management has prepared the statement following going concern basis of accounting based on their assessment of the successful outcome of above referred actions and accordingly, no adjustments have been made to the carrying value of assets and liabilities, which may affect the results shown in the statement except for impairment of assets for Textile Division as mentioned in Note 7.
- iii. We draw attention to Note 7 to the statement with respect to impairment of assets. As describe in the said note, the management has recognised impairment loss of Rs.426.64 crores for the first quarter ended June 2020. The management has considered information available to them as the basis of valuation for all the Property, Plant and Equipment. The actual impact may be different from that considered in assessing the recoverable amount of these Property, Plant and Equipment in present situation. This estimate and judgment of the management being inherently subjective and technical as well as considering the facts of the case, we have relied upon the management representation.
- iv. We draw attention to Note 9 to the statement with respect to insurance claim receivable of Rs 23.35 Crores lodged in the earlier years which are outstanding as on 30<sup>th</sup> September, 2020 for settlement of which management of the company is hopeful.



- v. We draw attention to Note 10 to the statement with respect to forensic audit conducted by M/s. G. D. Apte & Co., the Chartered Accountants, wherein PNB vide its announcement dated 30th September, 2020 reported to the stock exchanges, as to alleged borrowal fraud of Rs.1203.26 crore in NPA account of the Company, with corollary provision of Rs.215.21crore, at Large Corporate Branch at Ahmedabad, Zonal Office, Ahmedabad, which is purportedly being reported by PNB to Reserve Bank of India. The Company has clarified that it had not received prior intimation from PNB as to conclusion of fraud in its NPA account and also the Company has not received forensic audit report including basis for declaring the account of the Company as Fraud. The Company is in the process of adopting pro-active steps for enquiry with PNB.
- vi. We draw attention to Note 11 to the statement with respect to realization of subsidies aggregating to Rs 210.96 Crores. As per the information and explanations furnished to us, the management is taking necessary actions for realization of these subsidies and as stated in the said Note, the management is hopeful of receipt of this amount.
- vii. We draw attention to Note 12 to the consolidated financial statement, with respect to continuing default in payment of dues, most of the lenders have sent notice/ letters recalling their loans given and called upon the Company to pay entire dues and other liabilities. Hence in view of the said facts & considering the matter of prudence, whole of the long-term borrowing outstanding as on 30th September, 2020 has been classified as current borrowings.
- viii. We draw attention to Note no. 13 to the consolidated financial statement, with respect to appropriation of funds by HDFC Bank & RBL Bank amounting to Rs. 37.69 Crores & Rs. 21.00 Crores from the funds lying in current account of BVM Overseas Limited with the respective banks against the default in servicing various credit facilities by group companies. As informed, company is in process of taking up the matter with respective banks for recovery of the same. Hence amount of Rs. 58.69 Crores has been disclosed as receivable from respective banks in the financial statement.



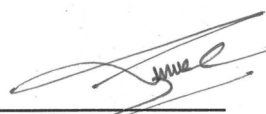
- ix. We draw attention to Note no. 16 to the consolidated financial statement, with respect to assessment of the recoverability of certain assets, the management has considered internal and external information upto the date of this report in respect of the current and estimated future global including Indian economic indicators consequent to the global health pandemic of Covid 19. The actual impact of the pandemic may be different from that considered in assessing the recoverability of these assets.

Our conclusion is not modified in respect of above matters.

**For, R. Choudhary & Associates**

**Chartered Accountants**

**Firm Regn. No: 101928W**

  
**K M Chaudhary**

**(Partner)**

**M. No.: 133388**



**Place: Ahmedabad**

**Date: 10<sup>th</sup> November, 2020**

**UDIN: - 20133388 AAAAVK1366**

Ref No: SEC/SGX/2020-21  
November 10, 2020

To,  
Market Control Securities  
Operations Group  
**Singapore Exchange Securities Trading Limited**  
4, Shenton way  
# 19 – 00 SGX Centre 1  
Singapore 068804.

**Sub.: Approval of Un-Audited Financial Results of the Company the Second Quarter and Half Year ended on 30th September, 2020 and Outcome of the Board Meeting held on 10th November, 2020.**

**Ref: US\$ 110 million, step down convertible bonds due in 2022 (“Bonds”) listed on the Singapore Exchange Securities Trading Limited.**

We hereby inform you that the Board of Directors of the Company, at its Meeting held on 10<sup>th</sup> November, 2020, approved the Standalone and Consolidated Un-Audited Financial Results of the Company for the Second Quarter and Half year ended 30<sup>th</sup> September, 2020.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

- Standalone and Consolidated Un-Audited Financial Results of the Company for the Second Quarter and Half-Year ended 30th September, 2020.
- Limited Review Report on Un-Audited Financial Results of the Company for the Second Quarter and Half-Year ended 30<sup>th</sup> September, 2020 (Standalone and Consolidated).

The meeting of Board of Directors commenced at 1.02 p.m. and concluded at 2.15 p.m.

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

Yours faithfully,

**For Sintex Industries Limited**

  
Company Secretary



**SINTEX INDUSTRIES LIMITED**

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

Investor Relationship Cell:  
7th Floor, Abhijit Building-I, Mithakhali Six Roads,  
Ellisbridge, Ahmedabad – 380 006, Gujarat.  
Phone : +91-6358855979 • +91-79-26420045  
Email : share@sintex.co.in

Ref No: SEC/SGX/2020-21  
November 10, 2020

To,  
Market Control Securities  
Operations Group  
**Singapore Exchange Securities Trading Limited**  
4, Shenton way  
# 19 – 00 SGX Centre 1  
Singapore 068804.

**Sub.: Approval of Un-Audited Financial Results of the Company the Second Quarter and Half Year ended on 30th September, 2020 and Outcome of the Board Meeting held on 10th November, 2020.**

**Ref: US\$ 110 million, step down convertible bonds due in 2022 (“Bonds”) listed on the Singapore Exchange Securities Trading Limited.**

We hereby inform you that the Board of Directors of the Company, at its Meeting held on 10<sup>th</sup> November, 2020, approved the Standalone and Consolidated Un-Audited Financial Results of the Company for the Second Quarter and Half year ended 30<sup>th</sup> September, 2020.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the following:

- Standalone and Consolidated Un-Audited Financial Results of the Company for the Second Quarter and Half-Year ended 30th September, 2020.
- Limited Review Report on Un-Audited Financial Results of the Company for the Second Quarter and Half-Year ended 30<sup>th</sup> September, 2020 (Standalone and Consolidated).

The meeting of Board of Directors commenced at 1.02 p.m. and concluded at 2.15 p.m.

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

Yours faithfully,

**For Sintex Industries Limited**

  
Company Secretary



**SINTEX INDUSTRIES LIMITED**

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

Investor Relationship Cell:  
7th Floor, Abhijit Building-I, Mithakhali Six Roads,  
Ellisbridge, Ahmedabad – 380 006, Gujarat.  
Phone : +91-6358855979 • +91-79-26420045  
Email : share@sintex.co.in