

Ref: SEC/SGX/2017-18
May 25, 2017

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

Sub.: Circular on the determination of cost of acquisition of Sintex Industries Limited and Sintex Plastics Technology Limited.

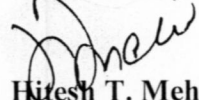
Ref:US\$ 110 million, step down convertible bonds due in 2022 (“Bonds”) listed on the Singapore Exchange Securities Trading Limited.

Please find attached herewith the circular on the determination of cost of acquisition for general guidance of the Shareholders of the Company in relation to the method of calculation and appointment of the pre-demerger cost of acquisition of equity shares of Sintex Industries Limited between the equity shares of Sintex Industries Limited and the equity shares of Sintex Plastics Technology Limited to be received pursuant to the Scheme.

Kindly find the same in order and arrange to place on your Notice Board for information of the Members.

Thanking You.

**Yours Faithfully,
For SINTEX INDUSTRIES LIMITED**


Hitesh T. Mehta
Company Secretary



ENCL : As Stated above

SINTEX INDUSTRIES LIMITED

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**FOR THE ATTENTION OF THE SHAREHOLDERS OF SINTEX INDUSTRIES LIMITED
(‘THE COMPANY’)**

The National Company Law Tribunal, Bench, at Ahmedabad, vide its Order dated 23 March 2017, has approved the Scheme of Arrangement (‘Scheme’) between Sintex Industries Limited (‘Sintex Industries’ or ‘the Company’) and Sintex Plastics Technology Limited (‘Sintex Plastics’) and Sintex-BAPL Limited (‘Sintex-BAPL’) and Sintex Infra Projects Limited (‘Sintex Infra’) (Name changed to Sintex Prefab and Infra Limited as per the Scheme) and their respective shareholders and creditors, under Sections 230 to 232 of the Companies Act, 2013.

The Scheme, inter-alia, provides for the transfer/vesting by way of demergers of the “Custom Moulding Undertaking” and the “Prefab Undertaking”, the two undertakings of Sintex Industries, on a going concern basis, to Sintex-BAPL and Sintex Infra respectively with effect from 1st April 2016 (‘Appointed Date’) and issue of equity shares by Sintex Plastics (being the holding company of Sintex-BAPL and Sintex Infra) in terms of the Scheme.

Sintex Industries has fixed 26 May 2017 as the Record Date to determine the eligibility of its equity shareholders who would be entitled to receive the equity shares of Sintex Plastics, pursuant to the Scheme. In terms of the Scheme, Sintex Plastics is required to issue and allot, to each equity shareholder of Sintex Industries whose names appears in the Register of Members of Sintex Industries and/or in the Depositories as Equity Shareholder of Sintex Industries on the Record Date, 1 (One) fully paid up equity share of INR 1/- each of Sintex Plastics for every 1 (One) equity share of INR 1/- each fully paid up and held by such equity shareholder in Sintex Industries for both the demergers.

This communication is being issued for general guidance of the shareholders of Sintex Industries in relation to the method of calculation and appointment of the pre-demerger cost of acquisition of equity shares of Sintex Industries between the equity shares of Sintex Industries and the equity shares of Sintex Plastics to be received pursuant to the Scheme, as per the provisions of the Income-tax Act, 1961 (‘the Act’). Since the equity shares of Sintex Plastics are being allotted pursuant to demergers, their Cost of Acquisition is to be determined as per the provisions of Section 49(2C) and 49(2D) of the Act.

Applicable Statutory Provisions: Section 49(2C) and 49(2D) of the Act:

Cost of Acquisition of Resulting Company’s Shares	Original Cost of Acquisition	* Net book Value of Assets transferred by the Demerged Company as on the Appointed Date
		----- Net-Worth of the Demerged Company immediately before demerger/(s)
Cost of Acquisition of Demerged Company’s Shares	Original Cost of Acquisition of Equity Shares of the Demerged Company less Cost of Acquisitions of Resulting Company’s Equity Shares (as computed above)	

As such, for the purpose of determining the post demerger cost of acquisition of the equity shares of Sintex Industries and the cost of equity shares of Sintex Plastics under the Act, the eligible shareholders who hold equity shares of Sintex Industries as on the Record Date i.e. 26 May 2017, are advised to apportion their pre-demerger cost of acquisition of Sintex Industries in the following manner:

Name of the Company	% of Cost of Acquisition of Equity Shares of Sintex Industries*
Sintex Industries Limited	36.38%
Sintex Plastics Technology Limited	63.62%
Total	100.00%

* The net book value of assets which relate to the Custom Moulding Undertaking and Prefab Undertaking as on the Appointed Date i.e. 1st April 2016, was INR 369.20 crores and INR 1535.80 crores, respectively, whereas the net-worth of Sintex Industries (paid-up share capital and general reserves) immediately before such demerger was INR 2994.54 crores. Thus, the proportion of net book value of assets of Sintex Industries transferred vis-à-vis the net-worth of Sintex Industries immediately before such demergers will be 63.62% (12.33% for Custom Moulding Undertaking and 51.29% for Prefab Undertaking). **Accordingly, the Cost of Acquisition of the equity shares in Sintex Plastics will be 63.62% of the total Cost of Acquisition of the original equity shares in Sintex Industries prior to the demerger.**

For example: A shareholder holds 100 shares of INR 1 each in Sintex Industries before the Record Date i.e. 26 May 2017, the Cost of Acquisition of the same is INR 100 per share and such Shareholder will be allotted 100 fully paid up equity share of INR 1 each of Sintex Plastics for transfer and vesting of Custom Moulding Undertaking and Prefab Undertaking to Sintex-BAPL and Sintex Infra, respectively. The proportionate Cost of Acquisition of 100 equity shares of Sintex Plastics will be INR 6,362 (10,000 * 63.62%) and that of 100 equity shares of Sintex Industries would be INR 3,638 (10,000 * 36.38%) and the Cost of Acquisition of each share of Sintex Industries would be INR 36.38.

Further, according to the provisions of Section 47(vi)(d) of the Act, the issue of shares of the Resulting Company i.e. Sintex Plastics, to the equity shareholders of the Demerged Company i.e. Sintex Industries, pursuant to the Scheme, is not a transfer and hence not taxable in the hands of the equity shareholders.

In respect of the equity shares to be issued by Sintex Plastics, the date of acquisition of such equity shares, for the purpose of capital gains in the hands of a shareholder, will be the date of acquisition of the original shares of Sintex Industries for each shareholder, as per Clause (g) in explanation 1 to section 2(42A) of the Act.

This communication is merely for the general guidance of the shareholders, and should not be considered as a substitute for any independent opinion that the shareholders may obtain. The concerned regulatory, statutory or judicial authority, including any assessing officer/appropriate appellate authority, could take a different view. The Company takes no express or implied liability in relation to this guidance. Please note that if there is a change, including change having a retrospective effect in the statutory laws and regulations, the comments expressed in this communication would necessarily have to re-evaluated in light of the changes. Sintex Industries Limited/Sintex Plastics Technology Limited do not take the responsibility of updating this communication at any time in future.

Thanking You,

Yours faithfully
For **Sintex Industries Limited**

Sd/-
Hitesh T. Mehta
Company Secretary