

Ref No: SEC/SGX/2020-21
February 11, 2021

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 Third Quarter and Nine months ended on 31st December, 2020 and Outcome of the Board Meeting held on 11th February, 2021.

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 11th February, 2021, approved the Standalone and Consolidated Un-Audited Financial Results of the Company for the Third Quarter and Nine months ended 31st December, 2020.

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

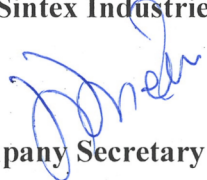
- Standalone and Consolidated Un-Audited Financial Results of the Company for the Third Quarter and Nine months ended 31st December, 2020.
- Limited Review Report on Un-Audited Financial Results of the Company for the Third Quarter and Nine months ended 31st December, 2020 (Standalone and Consolidated).

The meeting of Board of Directors commenced at 12.40 p.m. and concluded at 1.30 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:
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Ellisbridge, Ahmedabad – 380 006, Gujarat.
Phone : +91-6358855979 • +91-79-26420045
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Sintex Industries Limited

Regd. Office : Kalol - 382 721, India

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

CIN : L17110GJ1931PLC000454



Statement of Unaudited Standalone Financial results for the Quarter & Nine Months ended 31st December, 2020

(Rs. in Crores except per share data)

Sr No	Particulars	Unaudited			Unaudited		Audited
		Quarter ended			Nine Months ended		Year ended
		31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
1	Income						
	(a) Revenue from operations	544.48	288.48	416.36	983.55	1,178.28	1,634.92
	(b) Other Income	13.92	13.89	8.06	29.82	23.64	27.51
	Total Income	558.40	302.37	424.42	1,013.37	1,201.92	1,662.43
2	Expenses						
	(a) Cost of materials consumed	357.73	203.90	293.69	650.77	785.35	1,103.42
	(b) Changes in inventories of finished goods, work-in-progress and stock in trade	3.76	(5.64)	(0.69)	17.56	83.57	79.55
	(c) Employee benefits expense	34.96	30.73	35.42	93.80	123.55	157.50
	(d) Finance Costs	212.11	185.81	186.44	588.41	521.04	742.03
	(e) Depreciation and amortisation expense	71.06	71.12	71.44	212.56	213.75	284.40
	(f) Other expenses	90.87	54.74	127.55	181.93	436.50	630.20
	Total expenses	770.49	540.66	713.85	1,745.03	2,163.76	2,997.10
3	Profit/(Loss) before tax and Exceptional item (1) - (2)	(212.09)	(238.29)	(289.43)	(731.66)	(961.84)	(1,334.67)
4	Exceptional item	-	-	-	426.64	-	-
5	Profit/(Loss) before tax (3)-(4)	(212.09)	(238.29)	(289.43)	(1,158.30)	(961.84)	(1,334.67)
6	Tax expense/(benefit)						
	(a) Current tax (net of MAT credit entitlement)	-	-	-	-	-	-
	(b) Deferred tax	-	-	2.43	-	(0.14)	(78.57)
	(c) Short/(Excess) provision of tax for earlier years	(0.00)	(0.11)	-	(0.14)	(5.68)	(6.12)
	Tax expense/(benefit)	(0.00)	(0.11)	2.43	(0.14)	(5.82)	(84.69)
7	Net Profit after tax (5) - (6)	(212.09)	(238.18)	(291.86)	(1,158.16)	(956.02)	(1,249.98)
8	Other Comprehensive Income						
	(a) Items that will not be reclassified to profit or loss	-	-	(0.05)	-	(0.22)	(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	Total Comprehensive Income (7+8)	(212.09)	(238.18)	(291.91)	(1,158.16)	(956.24)	(1,252.17)
10	Paid-up equity share capital (Face value of Rs. 1 each)	59.41	59.41	59.41	59.41	59.41	59.41
11	Other Equity						3,070.11
12	Earnings per share (Face value of Rs. 1 each)						
a	Basic (in Rs.)	(3.57)	(4.01)	(4.91)	(19.49)	(16.09)	(21.04)
b	Diluted (in Rs.)	(3.57)	(4.01)	(4.91)	(19.49)	(16.09)	(21.04)



Notes to the unaudited Financial Results for the Quarter and Nine Months Ended December 31, 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 11th February, 2021. 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, till 11th February, 2021, FCCBs aggregating to USD 7 Million have been converted into 5122874 equity shares resulting in increase in equity share capital by Rs. 0.51 crores and security premium by Rs. 46.70 crores. There are USD 6.5 Million FCCBs outstanding for conversion as on 11th February, 2021.
- 4) The listed Non-Convertible Debentures of the Company aggregating to Rs. 500 Crore outstanding as on 31st December, 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) 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 December, 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 December, 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.

- 6) 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".
- 7) 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.
- 8) Insurance claim of Rs. 23.11 crores of F.Y. 2016-17 is outstanding as on 31st December, 2020. 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. The Company has initiated legal proceedings against the same.
- 9) 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.

South Indian Bank Limited, PNB, Axis Bank, Karnataka Bank and Punjab & Sind Bank ("Banks") purportedly report NPA account of the Company as Fraud to Reserve Bank of India.

The Company has clarified that it had not received prior intimation from Banks 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 Banks and other consortium lenders if any is unjust and unlawful.

Further, the Company has filed Writ Petition (Civil) No. 6830 of 2020, 7825 of 2020 and 920 of 2021 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 and actions of Banks 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 Banks 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 (South Indian Bank Limited), 7825 of 2020 (PNB, Axis Bank Limited Karnataka Bank Limited) and 920 of 2021 (Punjab & Sind Bank), granted relief of 'stay' in relation to the impugned action of lenders declaring fraud in the account of the Company to the Reserve Bank of India or any further steps pursuant thereto.

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



- 10) Rs. 365.84 crores is outstanding as at 31st December, 2020 for subsidies receivables including interest subsidy of Rs. 230.96 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.
- 11) The Company operates in Textile business which is the only reportable segment in accordance with the requirements of Ind-AS 108 "Operating Segments".
- 12) 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.
- 13) 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.
- 14) During the quarter ended 31st December, 2020 the company has not granted any options under the "Sintex ESOP 2018" to Eligible employees of the Company.
- 15) Figures of the previous quarter/ year to date have been regrouped, wherever necessary to make it comparable.

For Sintex Industries Limited

Place: Ahmedabad
Date: 11th February, 2021




Rahul A Patel
Chairman and Managing Director
DIN: 00171198



R. CHOUDHARY & ASSOCIATES

Chartered Accountants

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 Nine Months ended December 31, 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 31st December, 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 5 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 depends 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 6.
- iii. We draw attention to Note 6 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 8 to the statement with respect to insurance claim receivable of Rs. 23.11 Crores lodged in the earlier years which are outstanding as on 31st December, 2020 for settlement of which management of the company is hopeful of settling the claims in full.
- v. We draw attention to Note 9 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. Further, South Indian Bank Limited, Axis Bank, Karnataka Bank and Punjab & Sind Bank ("Banks") purportedly report NPA account of the Company as Fraud 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. Against the reporting by Banks purporting to declare fraud to the Reserve Bank of India, the Hon'ble Delhi High Court on application of the Company granted relief of 'stay' in relation to the impugned action of lenders declaring fraud in the account of the Company to the Reserve Bank of India or any further steps pursuant thereto.

We are not made available with forensic audit report of the forensic auditor and are not aware about the any processes adopted by the company with banks for any enquiry. Further Management is of the view that classification of fraud by forensic auditor is unjust and unfair. We are not affirming the same.

- vi. We draw attention to Note 10 to the statement with respect to realization of subsidies aggregating to Rs. 210.96 Crores. As per the information and explanations furnished to

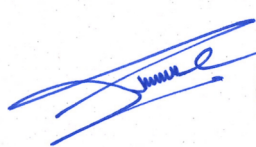


us, the management is taking necessary actions for realization of these subsidies and as stated in the said Note, the management is hopeful of receipt of this amount.

- vii. We draw attention to Note 12 to the standalone financial statement, with respect to 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: 11th February, 2021

UDIN: - 21133388 AAAAER2.482

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 Nine Months ended 31st December, 2020

(Rs. in Crores except per share data)

Sr No	Particulars	Unaudited			Unaudited		Audited
		Quarter ended			Nine Months ended		Year ended
		31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
1	Income						
	(a) Revenue from operations	523.66	308.53	421.70	974.09	1,256.49	1,701.19
	(b) Other Income	14.39	14.22	8.83	32.02	33.93	40.11
	Total Income	538.05	322.75	430.53	1,006.11	1,290.42	1,741.30
2	Expenses						
	(a) Cost of materials consumed	357.73	203.90	293.69	650.77	779.15	1,097.22
	(b) Purchase of stock in trade	(0.00)	-	-	-	0.18	0.18
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	(14.65)	13.71	4.08	10.59	169.47	152.78
	(d) Employee benefits expense	35.06	30.81	35.45	93.98	123.65	157.66
	(e) Finance Costs	212.20	185.91	186.84	588.69	525.93	747.58
	(f) Depreciation and amortisation expense	71.07	71.12	71.45	212.57	213.79	284.45
	(g) Other expenses	91.91	55.92	129.64	185.46	448.46	643.82
	Total expenses	753.32	561.37	721.15	1,742.06	2,260.63	3,083.69
3	Profit/(Loss) before tax and Exceptional item (1) - (2)	(215.27)	(238.62)	(290.62)	(735.95)	(970.21)	(1,342.39)
4	Exceptional item	-	(0.00)	-	426.64	-	-
5	Profit/(Loss) before tax (3)-(4)	(215.27)	(238.62)	(290.62)	(1,162.59)	(970.21)	(1,342.39)
6	Tax expense/(benefit)						
	(a) Current tax (net of MAT credit entitlement)	-	-	-	-	-	-
	(b) Deferred tax	(0.28)	0.18	2.14	(0.09)	(2.24)	(79.86)
	(c) Short/(Excess) provision of tax for earlier years	(0.00)	(0.11)	-	(0.14)	(5.68)	(6.12)
	Tax expense/(benefit)	(0.28)	0.07	2.14	(0.23)	(7.92)	(85.98)
7	Net Profit after tax (5) - (6)	(214.99)	(238.69)	(292.76)	(1,162.36)	(962.29)	(1,256.41)
8	Other Comprehensive Income						
	(a) Items that will not be reclassified to profit or loss	-	-	(0.05)	-	(0.22)	(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	Total Comprehensive Income (7+8)	(214.99)	(238.69)	(292.81)	(1,162.36)	(962.51)	(1,258.60)
10	Paid-up equity share capital (Face value of Rs. 1 each)	59.41	59.41	59.41	59.41	59.41	59.41
11	Other Equity				-		3,080.60
12	Earnings per share						
a	Basic (in Rs.)	(3.62)	(4.02)	(4.93)	(19.57)	(16.20)	(21.15)
b	Diluted (in Rs.)	(3.62)	(4.02)	(4.93)	(19.57)	(16.20)	(21.15)



Notes to the unaudited Consolidated Financial Results for the Quarter and Nine Months Period Ended December 31, 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 11th February, 2021. 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, till 11th February, 2021, FCCBs aggregating to USD 7 Million have been converted into 5122874 equity shares resulting in increase in equity share capital by Rs. 0.51 crores and security premium by Rs. 46.70 crores. There are USD 6.5 Million FCCBs outstanding for conversion as on 11th February, 2021.
- 4) The listed Non-Convertible Debentures of the Company aggregating to Rs. 500 Crore outstanding as on 31st December, 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) 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 December, 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 December, 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.

- 6) 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".
- 7) 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.
- 8) Insurance claim of Rs. 23.11 crores of F.Y. 2016-17 is outstanding as on 31st December, 2020. 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. The Company has initiated legal proceedings against the same.
- 9) 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.

South Indian Bank Limited, PNB, Axis Bank, Karnataka Bank and Punjab & Sind Bank ("Banks") purportedly report NPA account of the Company as Fraud to Reserve Bank of India.

The Company has clarified that it had not received prior intimation from Banks 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 Banks and other consortium lenders if any is unjust and unlawful.

Further, the Company has filed Writ Petition (Civil) No. 6830 of 2020, 7825 of 2020 and 920 of 2021 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 and actions of Banks 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 Banks 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 (South Indian Bank Limited), 7825 of 2020 (PNB, Axis Bank Limited Karnataka Bank Limited) and 920 of 2021 (Punjab & Sind Bank), granted relief of 'stay' in relation to the impugned action of lenders declaring fraud in the account of the Company to the Reserve Bank of India or any further steps pursuant thereto.

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



- 10) Rs. 365.84 crores is outstanding as at 31st December, 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.
- 11) 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.
- 12) The Group operates in Textile business which is the only reportable segment in accordance with the requirements of Ind-AS 108 "Operating Segments".
- 13) The key numbers of Standalone Financial Results of the Company for the quarter & nine months ended are as under:

(Rs. in crores)

Particulars	Quarter ended on December 31, 2020	Quarter ended on September 30, 2020	Quarter ended on December 30, 2019	Nine Months ended on December 31, 2020	Nine Months ended on December 31, 2019	For the year- ended March 31, 2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Total Operating Income	544.48	288.48	416.36	983.55	1,178.28	1,634.92
Profit / (Loss) before tax	(212.09)	(238.29)	(289.43)	(1,158.30)	(961.84)	(1,334.67)
Total Comprehensive / (Loss) Income (after tax)	(212.09)	(238.18)	(291.91)	(1,158.16)	(956.24)	(1,252.17)

- 14) 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.
- 15) 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.
- 16) During the quarter ended 31st December 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: 11th February, 2021





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 Nine Months ended December 31, 2021 ("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 whose Nine Months ended results reflect total revenues of **Rs. 157.98 crores**, net loss after tax of **Rs. 0.09 Crores** and total comprehensive loss of **Rs. 0.09 Crores** for the Nine Months ended December 31, 2021 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.

Our conclusion on statement is not modified in respect of the above matter.

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 31st December, 2021 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 5 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 6.
- iii. We draw attention to Note 6 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 8 to the statement with respect to insurance claim receivable of Rs 23.11 Crores lodged in the earlier years which are outstanding as on 31st December, 2021 for settlement of which management of the company is hopeful of settling the claims in full.



- v. We draw attention to Note 9 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. Further, South Indian Bank Limited, Axis Bank, Karnataka Bank and Punjab & Sind Bank ("Banks") purportedly report NPA account of the Company as Fraud 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. Against the reporting by Banks purporting to declare fraud to the Reserve Bank of India, the Hon'ble Delhi High Court on application of the Company granted relief of 'stay' in relation to the impugned action of lenders declaring fraud in the account of the Company to the Reserve Bank of India or any further steps pursuant thereto.

We are not made available with forensic audit report of the forensic auditor and are not aware about the any processes adopted by the company with banks for any enquiry. Further Management is of the view that classification of fraud by forensic auditor is unjust and unfair. We are not affirming the same.

- vi. We draw attention to Note 10 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 no. 11 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.

- viii. We draw attention to Note no. 14 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: 11th December, 2021

UDIN: - 21133388 AAAAES 2031