

Ref No: SEC/NSE/BSE/2019-20  
November 13, 2019

**The Manager, Capital Market (Listing)**  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No : C/1, G Block,  
Bandra Kurla Complex,  
Bandra (E), Mumbai-400 051

**The Corporate Relationship Dept.**  
**BSE Limited**  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building, P.J. Towers,  
Dalal Street, Mumbai-400 001

**Stock Code: Equity – Sintex EQ**

**Stock Code: Equity 502742**

**Sub.: Approval of Un-Audited Financial Results of the Company for the Second Quarter and Half-Year ended on 30<sup>th</sup> September, 2019 and Outcome of the Board Meeting held on 13<sup>th</sup> November, 2019**

Dear Sir,

1. We hereby inform you that the Board of Directors of the Company, at its Meeting held on 13<sup>th</sup> November, 2019;
- a. 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, 2019.

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 30<sup>th</sup> September, 2019.
  - Limited Review Report on Un-Audited Financial Results of the Company for the Second Quarter and Half-Year ended 30<sup>th</sup> September, 2019.
- b. Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of SEBI Circular No CIR/CFD/CMD/4/2015 dated September 9, 2015,

1. Appointed Mr. Mayank Devashrayee (DIN: 05313186) as Additional Independent Director on the Board of Directors of the Company w.e.f. 13<sup>th</sup> August, 2019. Mr. Mayank Devashrayee aged about 62 years is Company Secretary, LLB and Graduate in commerce by qualification and is having more than 37 years of experience in legal assignments. None of the existing Directors are related to Mr. Mayank Devashrayee. His terms of appointment are as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.



**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:  
7<sup>th</sup> Floor, Abhijit Building-I, Mithakhali Six Roads,  
Ellisbridge, Ahmedabad – 380 006, Gujarat.  
Ph. : 079-26420045, Email : share@sintex.co.in  
www.sintex.in

2. Appointed Mr. Samuel George (DIN: 06952669) as Additional Independent Director on the Board of Directors of the Company w.e.f. 13<sup>th</sup> August, 2019. Mr. Samuel George aged about 67 years is Cost Accountant and Graduate in science by qualification and is having more than 42 years of relevant experience. None of the existing Directors are related to Mr. Samuel George. His terms of appointment are as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.
3. Appointed Mr. Pratit Ashvinbhai Patel (DIN: 07841812) as Additional Independent Director on the Board of Directors of the Company w.e.f. 13<sup>th</sup> August, 2019. Mr. Pratit Ashvinbhai Patel aged about 38 years is MBA from Indian School of Business Management & Administration. None of the existing Directors are related to Mr. Pratit Ashvinbhai Patel. His terms of appointment are as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.
- c. Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board has considered and approved appointment of Mr. Hitesh Dihiye as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f. 13<sup>th</sup> November, 2019.

Mr. Hitesh Dihiye holds B.E. Mechanical and M.B.A. Finance Degree. He has work experience of more than 18 years in Finance & Accounts, Operations & Management and Liaisoning. His terms of appointment are as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors.

2. The company submitted a Comprehensive Resolution Plan to all the lenders involving the re-structuring of debt availed by the company. The proposal has been 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 has not been accepted in all lenders meeting held on 5th July, 2019. However, an Inter-Creditor Agreement (ICA) for a potential restructuring of the company's liabilities has been signed on 6th July, 2019. The company is taking active steps in accordance with the requirements of lenders and is holding negotiations and discussions in this regard with the consortium of lenders to restructure its borrowings. The company is in the process of submitting a revised Resolution Plan and expects it being approved by all the lenders. The ability of the company to continue as going-concern is predicted upon infusion of funds by promoters/Investors entering the company, restructuring of its liabilities and, therefore, scale up its level of operations. In view of the actions that are currently under way, the management of the company is hopeful of a positive outcome and, therefore, these results have been prepared on the basis that the company is a going-concern.



**SINTEX INDUSTRIES LIMITED**

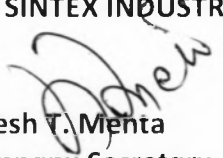
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Ph: +91-2764-253000, Fax : +91-2764-222868 Email : bvm@sintex.co.in  
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Ph. : 079-26420045, Email : share@sintex.co.in

The meeting of Board of Directors commenced at 4.00 p.m. and concluded at 5.40 p.m.

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

Yours faithfully,  
For **SINTEX INDUSTRIES LIMITED**

  
**Hitesh T. Menta**  
**Company Secretary**

Enclosed: As stated above

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# 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

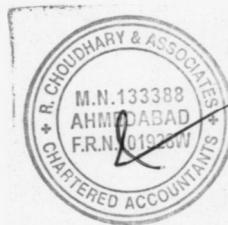
## Statement of un-audited Standalone Financial results for the Quarter & Half Year ended 30th September, 2019

(Rs. in Crores except per share data)

Sr No	Particulars	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		Quarter ended			Half year ended		Year ended
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
1	<b>Income</b>						
	(a) Revenue from operations	279.19	482.72	758.56	761.91	1,438.96	2,820.77
	(b) Other Income	7.71	7.88	19.49	15.59	59.18	91.55
	<b>Total Income</b>	<b>286.90</b>	<b>490.60</b>	<b>778.05</b>	<b>777.50</b>	<b>1,498.14</b>	<b>2,912.32</b>
2	<b>Expenses</b>						
	(a) Cost of materials consumed	187.82	303.84	493.67	491.66	906.53	1,806.25
	(b) Changes in inventories of finished goods, work-in-progress and stock in trade	6.18	78.08	(43.38)	84.26	(45.29)	(24.24)
	(c) Employee benefits expense	36.04	52.09	48.92	88.13	92.15	178.59
	(d) Finance Costs	171.47	163.13	49.30	334.60	92.34	208.82
	(e) Depreciation and amortisation expense	71.50	70.81	58.82	142.31	111.87	232.42
	(f) Other expenses	57.01	251.94	107.06	308.95	214.69	474.07
	<b>Total expenses</b>	<b>530.02</b>	<b>919.89</b>	<b>714.39</b>	<b>1,449.91</b>	<b>1,372.29</b>	<b>2,875.91</b>
3	<b>Profit before tax (1) - (2)</b>	<b>(243.12)</b>	<b>(429.29)</b>	<b>63.66</b>	<b>(672.41)</b>	<b>125.85</b>	<b>36.41</b>
4	<b>Tax expense/(benefit)</b>						
	(a) Current tax (net of MAT credit entitlement)	-	-	13.75	-	22.87	8.66
	(b) Deferred tax	(0.47)	(2.10)	8.23	(2.57)	22.23	10.27
	(c) Short/(Excess) provision of tax for earlier years	0.47	(5.15)	-	(5.68)	-	(1.72)
	<b>Tax expense/(benefit)</b>	<b>(0.00)</b>	<b>(8.25)</b>	<b>21.98</b>	<b>(8.25)</b>	<b>45.10</b>	<b>17.21</b>
5	<b>Net Profit after tax (3) - (4)</b>	<b>(243.12)</b>	<b>(421.04)</b>	<b>41.68</b>	<b>(664.16)</b>	<b>80.75</b>	<b>19.20</b>
6	<b>Other Comprehensive Income</b>						
	(a) Items that will not be reclassified to profit or loss	-	(0.17)	(3.75)	(0.17)	(6.11)	(11.78)
	(b) Income tax effect on above	-	-	-	-	-	(0.60)
	(c) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(d) Income tax effect on above	-	-	-	-	-	-
7	<b>Total Comprehensive Income (5+6)</b>	<b>(243.12)</b>	<b>(421.21)</b>	<b>37.93</b>	<b>(664.33)</b>	<b>74.64</b>	<b>6.82</b>
8	Paid-up equity share capital (Face value of Rs.1 each)	59.41	59.41	59.41	59.41	59.41	59.41
9	Other Equity						4,336.82
10	Earnings per share (Face value of Rs. 1 each)						
a	Basic (in Rs.)	(4.09)	(7.09)	0.70	(11.18)	1.36	0.32
b	Diluted (in Rs.)	(4.09)	(7.09)	0.70	(11.18)	1.36	0.32
11	Debenture Redemption Reserve					-	111.03
12	Net Worth					-	4,396.23
13	Debt Equity Ratio				1.62	1.31	1.35
14	Debt Service Coverage Ratio				(0.51)	1.02	0.71
15	Interest Service Coverage Ratio				(1.01)	2.36	1.17

Formula for computation of ratios are as follows:-

- \* **Debt Service Coverage Ratio** = Earning before Interest on term loan, debentures and FCCBs and Tax / Interest on term loan, debentures and FCCBs + Principal repayment.
- \* **Interest Coverage Ratio** = Earning before Interest and Tax / Interest
- \* **Debt Equity Ratio** = Total debt / (Paid up Equity Capital + Reserves and Surplus)



## Notes to the Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2019

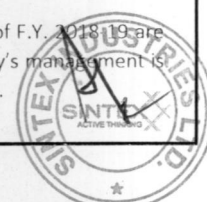
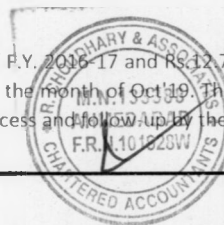
- 1) The above financial results of the Company were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 13th November, 2019. The Statutory Auditors of the Company have reviewed the said Results.
- 2) These financial results have been prepared in accordance 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, 2019.
- 4) The listed Non-Convertible Debentures of the Company aggregating to Rs. 500 Crore outstanding as on 30th September 2019 are secured by way of first pari-passu charge on the Company's certain properties and the asset cover thereof exceeds one hundred twenty five percent of the principal amount of the said debentures.
- 5) Details of Secured Non-Convertible Debentures of Sintex Industries Limited are as follows:

Sr No	Particulars	Previous Due Date (1st April'19 till 30th Sept'19)		Previous Due Date (1st Oct'19 till 31st Mar'20)	
		Principal	Interest	Principal	Interest
1	Rs. 112.50 Crores	11th June'19	11th June'19 11th September'19	-	11th December'19 11th March'20
2	Rs. 137.50 Crores	30th September'19	1st July'19 30th September'19	-	30th December'19 30th March'20
3	Rs. 250.00 Crores	-	8th April'19 8th July'19	-	8th October'19 8th January'20
<b>Total</b>	<b>Rs. 500.00 Crores</b>				

- 6) The company is undergoing substantial financial stress and severe liquidity constraints since last six months coupled with changed industrial dynamics, increasing raw material costs without commensurate increase in selling prices, time and cost overrun in completion of its projects, reduction in subsidies and incentive benefits with delay in disbursements etc. which has resulted into reduction in capacity utilization of its plants and, therefore, steep fall in sales volume and incurring of losses. During the quarter under review, the company has defaulted in debt obligation of debentures aggregating to Rs. 335.83 crores (Rs. 424.70 Crores for the period April'19 to September'19) 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 for more than 30 days, delay in payment of certain term loan instalments as well as interest thereof and over utilization of certain fund based facilities availed by the Company and in view of the same on 12th June, 2019 the company has suffered downgrades in its credit rating from "BWR A-Stable" to "BWR D-Stable". However, company has made provision for interest for the whole period upto September'19. The company's ability to raise funds has been impaired and the continuity of business operations is uncertain. These developments have raised a doubt on the ability of the company to continue as a going-concern.

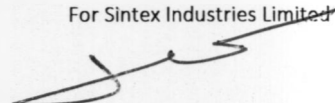
The company submitted a Comprehensive Resolution Plan to all the lenders involving the re-structuring of debt availed by the company. The proposal has been prepared in accordance with the requirement set out in the circular issued by the Reserve Bank of India No. RBI/2018-19/203.DBR.NO.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019, which has not been accepted in all lenders meeting held on 5th July, 2019. However, an Inter-Creditor Agreement (ICA) for a potential restructuring of the company's liabilities has been signed on 6th July, 2019. The company is taking active steps in accordance with the requirements of lenders and is holding negotiations and discussions in this regard with the consortium of lenders to restructure its borrowings. The company is in the process of submitting a revised Resolution Plan and expects it being approved by all the lenders. The ability of the company to continue as going-concern is predicted upon infusion of funds by promoters/Investors entering the company, restructuring of its liabilities and, therefore, scale up its level of operations. In view of the actions that are currently under way, the management of the company is hopeful of a positive outcome and, therefore, these results have been prepared on the basis that the company is a going-concern.

- 7) On account of the high cost of operations and to create synergies of having operations at a single location, the management of the company is evaluating to shift manufacturing facilities of structured fabrics from its existing location at Kalol to its Yarn division at Vill. Lunsapur Tal. Jafraabad, Dist. Amreli. In view of this, the manufacturing operations of structured fabrics at Kalol is being gradually discontinued effective from 1st July, 2019. The land and factory building of its Kalol plant will be disposed of after obtaining requisite approvals including from lenders, the proceeds of which shall be utilized for repayment of borrowings. The net realizable value of these assets held for disposal as estimated by the management is in excess of its carrying value as per books of accounts of the company. The management of the company has assessed whether any provision needs to be recognised on account of the impairment of assets in respect of property, plant and equipment of its Textile Division, which shall be shifted to and shall become an integral part of its Yarn division at Vill. Lunsapur and, therefore, Considering all relevant factors, the management has determined that there is no impairment loss which needs to be provided for.
- 8) The company has recognised deferred tax liability net of deferred tax assets including MAT credit of Rs. 281.45 crores upto 30th September, 2019, however no deferred tax asset for the quarter has been recognized except in case of certainty. 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 that no adjustment is required to the carrying value of deferred tax assets including MAT credit.
- 9) Insurance claims aggregating to Rs. 35.87 crores comprising of claim of Rs. 23.09 crores of F.Y. 2016-17 and Rs. 12.78 crores of F.Y. 2018-19 are outstanding as on 30th September, 2019. Out of this Rs. 11.10 Crores has been received in the month of Oct'19. The company's management is hopeful of settling the claims in full with the Insurance Company in view of the on-going process and follow up by the company.



- 10) Rs. 320.69 crores is outstanding as at 30th September, 2019 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 following up for recovery of this amount of subsidy from the Government and is hopeful of realization of this amount in full.
- 11) As mentioned in Note 7 above, the operations of manufacturing of structured fabrics at Kalol plant of the company is being gradually discontinued effective from 1st July, 2019. The management carried out a detailed verification and technical analysis of inventories as on 30th September, 2019 during which large quantity of damaged / obsolete / unsalable stocks were determined which have been written off and is included in cost of materials consumed.
- 12) The Company operates in Textile business which is the only reportable segment in accordance with the requirements of Ind-AS 108 "Operating Segments".
- 13) Figures of the previous quarter/ year to date have been regrouped, wherever necessary to make it comparable.

For Sintex Industries Limited



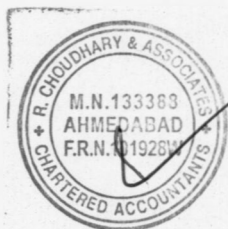
Rahul A Patel

Chairman and Managing Director

DIN: 00171198

Place: Ahmedabad

Date: 13th November, 2019

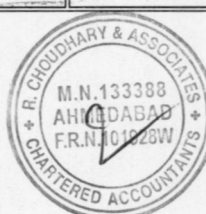


# SINTEX INDUSTRIES LIMITED

Standalone Balance Sheet as at September 30, 2019

(₹ In crores)

	Particulars	As at September 30, 2019	As at March 31, 2019
I	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	(a) Property, plant and equipment	8,152.75	8,302.32
	(b) Capital work-in-progress	1,057.12	1,009.53
	(c) Intangible assets	2.83	3.26
	(d) Financial assets		
	(i) Investments	40.91	7.78
	(ii) Loans	4.64	4.55
	(e) Other non-current assets	369.69	349.20
	(f) Non-current tax assets (net)	46.71	57.49
	<b>Total non-current assets</b>	<b>9,674.65</b>	<b>9,734.13</b>
	<b>Current assets</b>		
	(a) Inventories	129.56	240.53
	(b) Financial assets		
	(i) Investments	0.52	0.53
	(ii) Trade receivables	258.59	484.36
	(iii) Cash and cash equivalents	24.43	73.72
	(iv) Bank balances other than (iii) above	7.90	-
	(v) Loans	107.75	108.71
	(c) Other current assets	663.75	811.18
	<b>Total current assets</b>	<b>1,192.50</b>	<b>1,719.03</b>
	<b>TOTAL ASSETS</b>	<b>10,867.15</b>	<b>11,453.16</b>
II.	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity share capital	59.41	59.41
	(b) Other equity	3,672.49	4,336.82
	<b>Total equity</b>	<b>3,731.90</b>	<b>4,396.23</b>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	3,812.45	4,537.44
	(b) Provisions	10.33	10.11
	(c) Deferred tax liabilities (Net)	84.82	86.94
	<b>Total non-current liabilities</b>	<b>3,907.60</b>	<b>4,634.49</b>
	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	1,397.22	777.14
	(ii) Trade payables		
	(a) Total outstanding dues of Micro and Small Enterprise	6.65	10.63
	(b) Total outstanding dues of creditors other than micro and small enterprise	190.82	357.69
	(iii) Other financial liabilities	1,623.64	1,258.31
	(iv) Acceptances and other trade arrangement	-	-
	(b) Other current liabilities	5.54	14.90
	(c) Provisions	3.78	3.77
	<b>Total current liabilities</b>	<b>3,227.65</b>	<b>2,422.44</b>
	<b>Total liabilities</b>	<b>7,135.25</b>	<b>7,056.93</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,867.15</b>	<b>11,453.16</b>



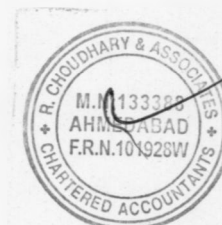


# SINTEX INDUSTRIES LIMITED

Standalone Statement of cash flows for the half year ended September 30, 2019

(₹ in crores)

Particulars	For the half year ended September 30, 2019	For the half year ended September 30, 2018
<b>A. Cash flow from operating activities</b>		
Net profit before tax	(672.41)	125.85
Adjustments for:		
Bad Debts and Subsidy written off	174.22	-
Interest income	(5.15)	(7.99)
Depreciation and amortisation expenses	142.31	111.87
Finance cost	334.60	92.34
Loss/(gain) on sale/ impairment of property, plant and equipment	(0.04)	(0.44)
<b>Operating profit before working capital changes</b>	<b>(26.47)</b>	<b>321.63</b>
<b>Adjustments for increase/decrease in Operating Assets/ Liabilities:</b>		
Trade receivables, loans and other assets	199.47	(405.87)
Inventories	110.97	178.74
Trade payables, other liabilities and provisions	(478.37)	383.38
<b>Cash generated from operations</b>	<b>(194.40)</b>	<b>477.88</b>
Direct taxes (paid)/Refund	16.46	(23.34)
<b>Net cash generated from operations (A)</b>	<b>(177.95)</b>	<b>454.53</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment/addition to capital-work-in progress(net)	(67.67)	(853.63)
Sale of fixed assets	7.33	0.14
(Purchase)/sale of current investments	(33.29)	0.05
Interest received	5.98	7.99
Bank deposits received/( placed )	(7.90)	57.05
<b>Net cash used in investing activities (B)</b>	<b>(95.55)</b>	<b>(788.40)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	-	646.81
Repayments of long term borrowings	(269.27)	(188.27)
Net increase/(decrease) in working capital borrowings	620.09	(73.70)
Finance cost	(126.61)	(88.96)
Dividend paid	(0.00)	(7.02)
<b>Net cash generated from financing activities (C )</b>	<b>224.21</b>	<b>288.86</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(49.29)</b>	<b>(45.01)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>73.72</b>	<b>96.50</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>24.43</b>	<b>51.49</b>



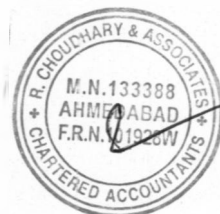




**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

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

1. We have reviewed the accompanying statement of Standalone unaudited financial result of **SINTEX INDUSTRIES LIMITED** ("the Company") for the Quarter ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 ("the Statement") attached herewith, being submitted by the company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulation"). Attention is drawn to the fact that the figures for the net cash outflows for the corresponding period from April 01, 2018 to September 30, 2018, as reported in these unaudited standalone financial results have been approved by the Board of Directors of the company, but have not been subject to review.
2. The preparation of the statement 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, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. 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 is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, 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 applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 as amended read with relevant rules issued thereunder and other recognised accounting practice and policies has not disclosed the information required to be disclosed in terms of Regulation, read with the Circular, 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 6 of the statement, which states that the company's credit rating has been downgraded, which may substantially impair its ability to raise or generate funds to repay its obligations. As described in said Note, the company's ability to continue as going-concern depends on the success of its Restructuring scheme / Resolution plan. 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. 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.
- ii. We draw attention to Note 7 to the statement with respect to impairment of assets. As describe in the said note, the management has determined that there is no impairment of assets. 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.
- iii. We draw attention to Note 8 to the statement with respect to recognition of deferred tax assets. As stated in the said Note, considering positive outcome of the restructuring scheme, no adjustment is made in the carrying value of deferred tax assets.





# R. CHOUDHARY & ASSOCIATES

Chartered Accountants

- iv. We draw attention to Note 9 to the statement with respect to insurance claim receivable of Rs 35.87 Crores lodged in the earlier years which are outstanding as on 30th September, 2019 for settlement of which management of the company is hopeful.
- v. 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 in full.
- vi. We draw attention to Note 11 to the statement with respect to large quantity of damaged/obsolete/unsalable stocks of fabrics determined by the management on discontinuation of operations of manufacturing of structured fabrics at Kalol plant of the company the cost of which has been written off by way of cost of materials consumed in the statement.

Our conclusion is not modified in respect of above matters.

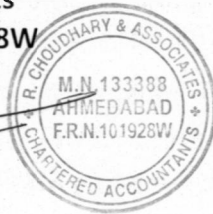
For, R Chaudhary & Associates

Chartered Accountants

Firm Regn. No: 101928W

K M Chaudhary  
(Partner)

M. No.: 133388



Place: Ahmedabad

Date: 13<sup>th</sup> November, 2019

UDIN: - 19133388AAAAPI3772

# 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 un-audited Consolidated Financial results for the Quarter & Half Year ended 30th September, 2019

(Rs. in Crores except per share data)

Sr No	Particulars	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
		Quarter ended			Half year ended		Year ended
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
<b>1</b>	<b>Income</b>						
	(a) Revenue from operations	288.59	546.20	907.17	834.79	1,832.51	3,256.95
	(b) Other Income	10.06	15.04	35.76	25.10	88.72	119.31
	<b>Total Income</b>	<b>298.65</b>	<b>561.24</b>	<b>942.93</b>	<b>859.89</b>	<b>1,921.23</b>	<b>3,376.26</b>
<b>2</b>	<b>Expenses</b>						
	(a) Cost of materials consumed	187.82	297.64	484.46	485.46	888.92	1,769.31
	(b) Purchase of stock in trade	(0.00)	0.18	158.74	0.18	301.16	420.42
	(c) Changes in inventories of finished goods, work-in-progress and stock in trade	15.82	149.57	(46.98)	165.39	60.31	0.21
	(d) Employee benefits expense	36.08	52.12	48.96	88.20	92.21	178.71
	(e) Finance Costs	172.17	166.92	53.19	339.09	100.81	225.65
	(f) Depreciation and amortisation expense	71.52	70.82	58.83	142.34	111.88	232.46
	(g) Other expenses	59.81	259.02	115.41	318.83	233.38	511.98
	<b>Total expenses</b>	<b>543.22</b>	<b>996.27</b>	<b>872.61</b>	<b>1,539.49</b>	<b>1,788.67</b>	<b>3,338.74</b>
<b>3</b>	<b>Profit before tax (1) - (2)</b>	<b>(244.57)</b>	<b>(435.03)</b>	<b>70.32</b>	<b>(679.60)</b>	<b>132.56</b>	<b>37.52</b>
<b>4</b>	<b>Tax expense/(benefit)</b>						
	(a) Current tax (net of MAT credit entitlement)	-	-	14.18	-	23.30	9.41
	(b) Deferred tax	(2.28)	(2.10)	8.23	(4.38)	22.23	9.88
	(c) Short/(Excess) provision of tax for earlier years	0.47	(6.15)	-	(5.68)	-	(3.29)
	<b>Tax expense/(benefit)</b>	<b>(1.81)</b>	<b>(8.25)</b>	<b>22.41</b>	<b>(10.06)</b>	<b>45.53</b>	<b>16.00</b>
<b>5</b>	<b>Net Profit after tax (3) - (4)</b>	<b>(242.76)</b>	<b>(426.78)</b>	<b>47.91</b>	<b>(669.54)</b>	<b>87.03</b>	<b>21.52</b>
<b>6</b>	<b>Other Comprehensive Income</b>						
	(a) Items that will not be reclassified to profit or loss	-	(0.17)	(3.75)	(0.17)	(6.11)	(11.78)
	(b) Income tax effect on above	-	-	-	-	-	(0.60)
	(c) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(d) Income tax effect on above	-	-	-	-	-	-
<b>7</b>	<b>Total Comprehensive Income (5+6)</b>	<b>(242.76)</b>	<b>(426.95)</b>	<b>44.16</b>	<b>(669.71)</b>	<b>80.92</b>	<b>9.14</b>
<b>8</b>	<b>Paid-up equity share capital</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>
<b>9</b>	<b>Other Equity</b>						<b>4,353.35</b>
<b>10</b>	<b>Earnings per share</b>						
a	Basic (in Rs.)	(4.09)	(7.18)	0.80	(11.27)	1.46	0.36
b	Diluted (in Rs.)	(4.09)	(7.18)	0.80	(11.27)	1.46	0.36
<b>11</b>	<b>Debenture Redemption Reserve</b>					-	<b>111.03</b>
<b>12</b>	<b>Net Worth</b>					-	<b>4,412.76</b>



## Notes to the Unaudited Consolidated Financial Results for the Quarter and Half Year Ended September 30, 2019

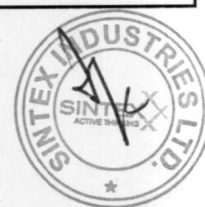
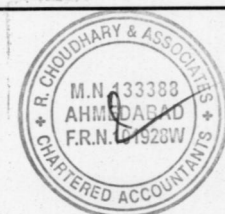
- 1) The above consolidated financial results of the Company were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 13th November, 2019. The Statutory Auditors of the Company have reviewed the said Results.
- 2) These consolidated financial results have 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, 2019.
- 4) The listed Non-Convertible Debentures of the Company aggregating to Rs. 500 Crore outstanding as on 30th September 2019 are secured by way of first pari-passu charge on the Company's certain properties and the asset cover thereof exceeds one hundred twenty five percent of the principal amount of the said debentures.
- 5) Details of Secured Non-Convertible Debentures of Sintex Industries Limited are as follows:

Sr No	Particulars	Previous Due Date (1st April'19 till 30th Sept'19)		Previous Due Date (1st Oct'19 till 31st Mar'20)	
		Principal	Interest	Principal	Interest
1	Rs. 112.50 Crores	11th June'19	11th June'19 11th September'19	-	11th December'19 11th March'20
2	Rs. 137.50 Crores	30th September'19	1st July'19 30th September'19	-	30th December'19 30th March'20
3	Rs. 250.00 Crores	-	8th April'19 8th July'19	-	8th October'19 8th January'20
<b>Total</b>	<b>Rs. 500.00 Crores</b>				

- 6) The holding company is undergoing substantial financial stress and severe liquidity constraints since last six months coupled with changed industrial dynamics, increasing raw material costs without commensurate increase in selling prices, time and cost overrun in completion of its projects, reduction in subsidies and incentive benefits with delay in disbursements etc. which has resulted into reduction in capacity utilization of its plants and, therefore, steep fall in sales volume and incurring of losses. During the quarter under review the company has defaulted in debt obligation of debentures aggregating to Rs. 335.83 crores (Rs. 424.70 Crores for the period April'19 to September'19) apart from other credit facilities. Further, Holding 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 holding company for more than 30 days, delay in payment of certain term loan instalments as well as interest thereof and over utilization of certain fund based facilities availed by the Holding company and in view of the same on 12th June, 2019 the holding company has suffered downgrades in its credit rating from "BWR A-Stable" to "BWR D-Stable". However, company has made provision for interest for the whole period upto September'19. The holding company's ability to raise funds has been impaired and the continuity of business operations is uncertain. These developments have raised a doubt on the ability of the company to continue as a going-concern.

The holding company submitted a Comprehensive Resolution Plan to all the lenders involving the re-structuring of debt availed by the holding company. The proposal has been 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 has not been accepted in all lenders meeting held on 5th July, 2019. However, an Inter-Creditor Agreement (ICA) for a potential restructuring of the holding company's liabilities has been signed on 6th July, 2019. The holding company is taking active steps in accordance with the requirements of lenders and is holding negotiations and discussions in this regard with the consortium of lenders to restructure its borrowings. The holding company is in the process of submitting a revised Resolution Plan and expects it being approved by all the lenders. The ability of the holding company to continue as going-concern is predicted upon infusion of funds by promoters/Investors entering the holding company, restructuring of its liabilities and, therefore, scale up its level of operations. In view of the actions that are currently under way, the management of the company is hopeful of a positive outcome and, therefore, these results have been prepared on the basis that the holding company is a going-concern.

- 7) On account of the high cost of operations and to create synergies of having operations at a single location, the management of the holding company is evaluating to shift manufacturing facilities of structured fabrics from its existing location at Kalol to its Yarn division at Vill. Lunsapur Tal. Jafraabad, Dist. Amreli. In view of this, the manufacturing operations of structured fabrics at Kalol is being gradually discontinued effective from 1st July, 2019. The land and factory building of its Kalol plant will be disposed of after obtaining requisite approvals including from lenders, the proceeds of which shall be utilized for repayment of borrowings. The net realizable value of these assets held for disposal as estimated by the management is in excess of its carrying value as per books of accounts of the holding company. The management of the company has assessed whether any provision needs to be recognised on account of the impairment of assets in respect of property, plant and equipment of its Textile Division, which shall be shifted to and shall become an integral part of its Yarn division at Vill. Lunsapur and, therefore, Considering all relevant factors, the management has determined that there is no impairment loss which needs to be provided for.
- 8) The holding company has recognised deferred tax liability net of deferred tax assets including MAT credit of Rs. 281.45 crores upto 30th September, 2019, however no deferred tax asset for the quarter has been recognized except in case of certainty. 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 holding company is of the view that no adjustment is required to the carrying value of deferred tax assets including MAT credit.
- 9) Insurance claims aggregating to Rs. 35.87 crores comprising of claim of Rs. 23.09 crores of F.Y. 2016-17 and Rs.12.78 crores of F.Y. 2018-19 are outstanding as on 30th September, 2019. Out of this Rs. 11.10 Crores has been received in the month of Oct'19. The holding company's management is hopeful of settling the claims in full with the Insurance Company in view of the on-going process and follow-up by the company.



10) Rs. 320.69 crores is outstanding as at 30th September, 2019 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 up to May, 2019. This amount of subsidy benefit recognized is reduced from the borrowing costs in the respective years. The management is following up for recovery of this amount of subsidy from the Government and is hopeful of realization of this amount in full.

11) As mentioned in Note 7 above, the operations of manufacturing of structured fabrics at Kalol plant of the holding company is being gradually discontinued effective from 1st July, 2019. The management carried out a detailed verification and technical analysis of inventories as on 30th September, 2019 during which large quantity of damaged / obsolete / unsalable stocks were determined which have been written off and is included in cost of materials consumed.

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 ended September 30, 2019 are as under:

Particulars	Quarter ended on September 30, 2019	Quarter ended on June 30, 2019	Quarter ended on September 30, 2018	For the half year ended on September 30, 2019	For the half year ended on September 30, 2018	For the year- ended March 31, 2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total Operating Income	279.19	482.72	758.56	761.91	1,438.96	2,820.77
Profit/(Loss) before tax	(243.12)	(429.29)	63.66	(672.41)	125.85	36.41
Total Comprehensive /(Loss) Income (after tax)	(243.12)	(421.21)	37.93	(664.33)	74.64	6.82

14) 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: 13th November, 2019



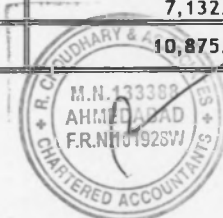


# SINTEX INDUSTRIES LIMITED

Consolidated Balance Sheet as at September 30, 2019

(₹ in crores)

Particulars	As at September 30, 2019	As at March 31, 2019
<b>I ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, plant and equipment	8,152.86	8,302.44
(b) Capital work-in-progress	1,057.12	1,009.53
(c) Other Intangible assets	2.83	3.26
(d) Financial Assets		
(i) Investments	36.42	3.28
(ii) Loans	4.74	4.65
(e) Deferred tax assets	1.82	0.01
(f) Other non-current assets	369.69	349.20
(g) Non-current tax assets (net)	46.78	57.76
<b>Total non-current assets</b>	<b>9,672.26</b>	<b>9,730.13</b>
<b>Current assets</b>		
(a) Inventories	140.30	332.39
(b) Financial assets		
(i) Investments	0.52	0.53
(ii) Trade receivables	193.50	580.54
(iii) Cash and cash equivalents	52.27	80.26
(iv) Bank balances other than (iii) above	7.90	-
(v) Loans	107.75	108.71
(vi) Other Financial Assets	-	2.08
(c) Other current assets	701.43	834.41
<b>Total current assets</b>	<b>1,203.67</b>	<b>1,938.92</b>
<b>TOTAL ASSETS</b>	<b>10,875.93</b>	<b>11,669.05</b>
<b>II. 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	3,683.64	4,353.35
<b>Total equity</b>	<b>3,743.05</b>	<b>4,412.76</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	3,812.45	4,537.44
(b) Provisions	10.33	10.11
(c) Deferred tax liabilities (net)	85.20	87.32
<b>Total non-current liabilities</b>	<b>3,907.98</b>	<b>4,634.87</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	1,397.22	777.14
(ii) Trade payables		
(a) Total outstanding dues of Micro and Small Enterprise	6.65	10.65
(b) Total outstanding dues of creditors other than micro and small enterprise	171.18	345.00
(iii) Other financial liabilities	1,638.98	1,468.90
(b) Other current liabilities	7.09	15.96
(c) Provisions	3.78	3.77
<b>Total current liabilities</b>	<b>3,224.90</b>	<b>2,621.42</b>
<b>Total liabilities</b>	<b>7,132.88</b>	<b>7,256.28</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,875.93</b>	<b>11,669.05</b>



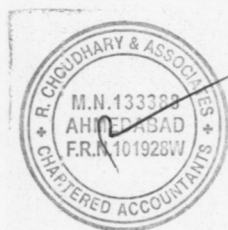


# SINTEX INDUSTRIES LIMITED

Consolidated Statement of cash flows for the half year ended September 30, 2019

(₹ In crores)

Particulars	For the half year ended September 30, 2019	For the half year ended September 30, 2018
<b>A. Cash flow from operating activities</b>		
Net profit before tax	(679.60)	132.56
<b>Adjustments for:</b>		
Bad Debts and subsidy written off	174.22	
Interest income	(5.27)	(8.35)
Depreciation and amortisation expenses	142.34	111.88
Finance cost	339.09	100.80
Loss/(gain) on sale/ impairment of property, plant and equipment	(0.04)	(0.44)
<b>Operating profit before working capital changes</b>	<b>(29.26)</b>	<b>336.45</b>
<b>Adjustments for increase/decrease in Operating Assets/ Liabilities:</b>		
Trade receivables, loans and other assets	343.76	(497.59)
Inventories	192.10	284.33
Trade payables, other liabilities and provisions	(675.87)	435.62
<b>Cash generated from operations</b>	<b>(169.27)</b>	<b>558.81</b>
Direct taxes paid (Net)	16.48	(26.29)
<b>Net cash generated from operations activities (A)</b>	<b>(152.79)</b>	<b>532.52</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment/addition to capital-work-in progress	(67.67)	(853.63)
Sale of fixed assets	7.33	0.14
(Purchase)/sale of current investments	(33.31)	0.05
Interest received	6.09	8.35
Bank deposits received/( placed )	(7.90)	57.05
<b>Net cash used in investing activities (B)</b>	<b>(95.46)</b>	<b>(788.04)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from long term borrowings	-	646.81
Repayments from long term borrowings	(269.27)	(188.27)
Net increase/(decrease) in working capital borrowings	620.09	(122.97)
Finance cost	(130.56)	(97.46)
Dividend paid	-	(7.02)
<b>Net cash generated from financing activities (C )</b>	<b>220.26</b>	<b>231.09</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(27.99)</b>	<b>(24.43)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>80.26</b>	<b>107.34</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>52.27</b>	<b>82.91</b>





**Independent Auditor's Review Report on the Quarterly and Year to Date 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 ended September 30, 2019 and year to date from April 01, 2019 to September 30, 2019 ("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"). Attention is drawn to the fact that the consolidated figures for the net cash outflows for the period from April 01, 2018 to September 30, 2018, as reported in these unaudited consolidated financial results have been approved by the Parent's Board of Directors, but have not been subject to review.
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 conclusive 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;

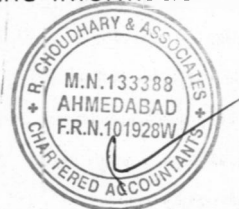
**Holding:** - Sintex Industries Limited

**Subsidiary:** - BVM Overseas Limited

5. The Statement includes interim financial results of 1 subsidiary whose interim financial results and other financial information reflect total assets of **Rs. 156.45 Crores** as at September 30, 2019, total revenues of **Rs. 79.70 Crores** and **Rs. 459.65 Crores**, total net Profit / (Loss) after tax of **Rs. 0.36 Crores** and **(Rs. 5.38 Crores)** and total comprehensive income of **Rs. 0.36 Crores** and **(Rs. 5.38 Crores)** for the quarter ended September 30, 2019 and the period from April 01, 2019 to September 30, 2019 respectively, and net cash inflow of **Rs. 21.29 Crores** for the period from April 01, 2019 to September 30, 2019, respectively 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.

6. 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 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 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.

### 7. Emphasis of Matter:

- i. We draw attention to Note 6 of the statement, which states that the parent's credit rating has been downgraded, which may substantially impair its ability to raise or generate funds to repay its obligations. As described in said Note, the parent's ability to continue as going-concern depends on the success of its Restructuring scheme / Resolution plan. All the current developments raise doubt on the ability of the parent 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. The ability of the parent company to continue as going concern is depend upon the factors described in the said Note, which are not within the parent 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.
- ii. We draw attention to Note 7 to the statement with respect to impairment of assets. As describe in the said note, the management has determined that there is no impairment of assets. 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.
- iii. We draw attention to Note 8 to the statement with respect to recognition of deferred tax assets. As stated in the said Note, considering positive outcome of the restructuring scheme, no adjustment is made in the carrying value of deferred tax assets.





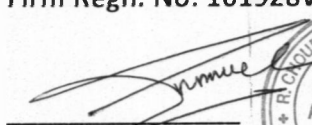
*R. CHOUDHARY & ASSOCIATES*

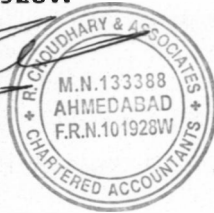
Chartered Accountants

- iv. We draw attention to Note 9 to the statement with respect to insurance claim receivable of Rs 35.87 Crores lodged in the earlier years which are outstanding as on 30th September, 2019 for settlement of which management of the company is hopeful.
- v. 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 in full.
- vi. We draw attention to Note 11 to the statement with respect to large quantity of damaged/obsolete/unsalable stocks of fabrics determined by the management on discontinuation of operations of manufacturing of structured fabrics at Kalol plant of the parent the cost of which has been written off by way of cost of materials consumed in the statement.

Our conclusion is not modified in respect of above matters.

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

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



Place: Ahmedabad  
Date: 13<sup>th</sup> November, 2019  
UDIN: - 19133388AAAAPJ1347