Annual Report 2009-10

SINTEX

ACTIVE THINKING

Sintex Industries Limited

Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and the underlying assumptions undergoing change. Should known or unknown risks or uncertainties materialise, or should underlying assumptions not materialise, actual results could vary materially from those anticipated, estimated or projected. Shareholders & Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents

Corporate Information

BOARD OF DIRECTORS

Dinesh B. Patel	*Chairman*
Arun P. Patel	*Vice Chairman*
Ramnikbhai H. Ambani	
Ashwin Lalbhai Shah	
Rooshikumar V. Pandya	
Indira J. Parikh	
Dr. Rajesh B. Parikh	
Dr. Lavkumar Kantilal	
Rahul A. Patel	*Managing Director*
Amit D. Patel	*Managing Director*
S.B. Dangayach	*Managing Director*

MANAGEMENT TEAM

Rahul A. Patel	*Managing Director*
Amit D. Patel	*Managing Director*
S.B. Dangayach	*Managing Director*
L.M. Rathod	Group *C.F.O. & Company Secretary*
Sunilkumar Kanojia	*Group President (Corporate)*
Sanjib Roy	*Senior President – SBU-I (Plastic Div.)*
S. Venkatachalam	*President – SBU-II (Plastic Div.)*
B.R. Jayswal	*President – Fin. & Acc. (Plastic Div.)*
Rajan Gulabani	*Resident Director*
S.M. Anerao	*Vice President – Marketing (Plastic Div.)*
D.G. Mistry	*Vice President – Tech. (Plastic Div.)*
A.C. Saxena	*Vice President – Marketing (Plastic Div.)*
Shashidhar B.C	*President – Marketing. (Textile Div.)*
Ashoke Maitra	*President – Opr. & Admn. (Textile Div.)*
R.A. Sharma	*President – Proc. (Textile Div.)*
Siddhartha Jha	*President – Tech. (Textile Div.)*
Rajiv Naidu	*Head - IR & PR*

COMPANY SECRETARY

L. M. Rathod

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants
Ahmedabad

REGISTERED OFFICE

Kalol (N.G.) 382721
Tel : (+91-2764) 253000
Fax : (+91-2764) 253100, 222868
E-mail : bvm@sintex.co.in

REGISTRAR & SHARE TRANSFER AGENT

Sharepro Services (India) Pvt. Ltd.
13AB, Samhita Warehousing Complex,
2nd Floor,Sakinaka Telephone,
Exchange Lane, Andheri East,
Mumbai- 400 072

BANKERS

State Bank of India
Bank of Baroda
IDBI Bank Limited

MANUFACTURING FACILITIES AT

- Kalol
  Kalol 382 721 (N.G.),
  Dist.: Gandhinagar
  Gujarat, India
- Bangalore
  61-C, Bommasandra Ind. Estate
  Hosur Road
  Bommasandra 560 158
  Dist: Anekel (Banglore)
  Karnataka, India
- Kolkata
  Plot No. 40 & 41
  Uluberia Growth Center
  Nr. Birsipur Railway Station
  Dist.: Howrah
  West Bengal, India
- Daman
  Plot No. 34, 39 & 40, Survey No. 168
  Dabhel Ind. Co. Op. Society Ltd.
  Dabhel
  Daman (Union Territory), India
- Baddi
  Billanwali Road
  Nr. Raja Forging Gears Ltd.
  Baddi – 173 205
  Dist.: Solan
  Himachal Pradesh, India
- Nagpur
  Plot No : B/124, MIDC Industrial Area
  Buti-Bori - 441 122
  Dist.: Nagpur
  Maharashtra, India
- Salem
  131, Sandhiyur Attayampatti Village
  Via-Mallur, Trichy Main Road
  Salem, Tamil Nadu 636 203
- Bhachau
  Plot No.1211/1, 1223/24/31
  Bhachau Gandhidham Highway
  Dist.: Kutch
  Bhachau, Gujarat 370 140
- Nalagarh
  Village-Bhatia
  Teh: Nalagarh
  Dist.: Solan (H.P.)

Ten years at a glance

(₹ in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Fixed Assets (Net)	381.71	378.82	364.87	480.25	493.44	470.64	635.43	783.96	1221.29	1336.59
New Project Expenses	56.44	55.23	121.49	18.33	29.62	19.02	38.79	242.68	197.38	136.75
Investments	11.29	31.07	11.53	56.86	167.47	156.83	206.53	429.77	637.89	807.94
Net Current Assets	131.35	100.79	122.79	136.05	219.92	449.59	518.63	1690.47	1640.05	1927.36
Misc. Exp. (Not Written off)	1.91	4.07	3.51	3.20	6.10	3.40	2.12	1.15	0.17	–
Total Assets (Net)	**582.70**	**569.98**	**624.18**	**694.69**	**916.56**	**1099.48**	**1401.49**	**3148.03**	**3696.78**	**4208.64**
Borrowings	245.67	217.15	250.33	298.58	338.41	582.66	678.26	1536.93	1938.36	2174.37
Preferance Share Capital	15.00	15.00	15.00	–	–	–	–	–	–	–
Equity Share Capital	14.56	14.56	14.56	14.56	18.48	19.73	22.19	27.10	27.10	27.10
Share Warrants	–	–	–	–	13.92	5.41	–	47.80	–	–
Reserves & Surplus	307.47	316.91	335.23	337.42	488.71	429.73	628.68	1436.75	1600.63	1855.02
Deferred Tax Liability	–	6.36	9.06	44.13	57.04	61.95	72.36	99.45	130.69	152.15
TOTAL CAPITAL EMPLOYED	**582.70**	**569.98**	**624.18**	**694.69**	**916.56**	**1099.48**	**1401.49**	**3148.03**	**3696.78**	**4208.64**
Debt/Equity Ratio	1.6:1	1.3:1	1.35:1	1.59:1	0.95:1	1.28:1	1.04:1	1.02:1	1.19:1	1.16:1
Sales & Other Income	**296.28**	**376.56**	**447.01**	**547.27**	**687.98**	**874.74**	**1184.17**	**1719.60**	**1998.06**	**2093.49**
Raw Materials	106.22	145.13	196.51	254.37	318.15	510.54	695.39	1025.08	1159.22	1272.89
Salaries & Wages	21.08	21.59	23.25	26.46	30.55	37.42	47.90	63.46	77.52	85.24
Operations & Other Expenses	109.40	143.93	142.25	168.35	215.57	152.26	196.88	242.58	293.29	258.53
Interest	19.29	21.57	28.49	26.24	24.85	29.09	40.99	56.25	63.97	51.32
Gross Profit (Loss)	**40.29**	**44.34**	**56.50**	**71.85**	**98.86**	**145.43**	**203.00**	**332.23**	**404.06**	**425.51**
Depreciation	18.08	22.68	22.07	22.63	28.25	31.13	41.47	51.70	62.40	84.03
Profit/(Loss) before Taxes	**22.21**	**21.66**	**34.43**	**49.22**	**70.61**	**114.30**	**161.53**	**280.53**	**341.66**	**341.48**
Taxes	1.81	2.43	10.49	15.40	20.49	22.26	30.93	64.20	72.56	60.97
Profit/(Loss) after Taxes	**20.40**	**19.22**	**23.95**	**33.82**	**50.12**	**92.04**	**130.60**	**216.33**	**269.10**	**280.51**
Extra ordinary items	3.74	–	–	(0.16)	3.79	(0.03)	(0.02)	–	(2.39)	(6.81)
Net Profit	**24.14**	**19.22**	**23.95**	**33.66**	**53.91**	**92.02**	**130.58**	**216.33**	**266.71**	**273.70**
Dividend	4.06	4.06	4.79	5.63	7.39	8.86	10.75	13.65	15.02	16.38
Tax on Dividend	0.65	0.19	0.57	0.72	0.97	1.24	1.83	2.32	2.51	2.67
Retained Earnings	37.51	37.66	40.65	49.94	73.80	113.04	159.48	252.05	311.58	338.68
Earning per Equity Share (₹)	3.32	2.36	2.97	4.43	7.14	9.95	12.15	18.35	19.68	20.20
Book Value per Equity Share (₹)	221	232	246	272	313	*52	*65	*119	*130	*150
Dividends per Equity Share (₹)	1.50	1.50	2.00	3.00	4.00	*0.88	*0.96	*1.00	*1.10	*1.20

* On subdivided equity share of ₹ 2 each.

Directors' Report

Dear Shareholders,

Your Directors take pleasure in presenting the 79th annual report and audited accounts for the financial year ended 31 March 2010.

Financial results

Your Company's financial performance for 2009-10 is given below:

(₹ in crore)

	2009-10	2008-09
Gross turnover	**2,103.56**	**1,982.04**
Gross profit	**425.51**	**404.06**
Less: Depreciation	84.03	62.40
Profit before tax	**341.48**	**341.66**
Less: Provision for taxation - Current tax	58.05	41.32
MAT Credit Entitlement	(18.54)	–
Deferred tax	21.46	31.24
Profit/(loss) after tax before prior period items	**280.51**	**269.10**
Add/(Less): Short provisions for taxation of earlier years	(6.81)	(2.39)
Profit after tax	**273.70**	**266.71**
Balance of profit of previous year	674.17	456.16
Profit available for appropriation	**947.87**	**722.87**
Appropriations		
General reserve	30.00	30.00
Debenture redemption reserve	10.22	1.17
Proposed dividend on equity shares	16.38	15.02
Tax on dividend	2.67	2.51
Balance carried to Balance Sheet	888.60	674.17
Total	**947.87**	**722.87**

Review of numbers

Your Directors are pleased to report that your Company reported positive growth in 2009-10, reflected in the financial statements.

- Gross turnover grew 6.13% at ₹ 2,103.56 crore in 2009-10 as against ₹ 1,982.04 crore in 2008-09
- EBIDTA stood at ₹ 476.83 crore in 2009-10 as against ₹ 468.03 crore in 2008-09
- Profit after tax rise to ₹ 273.70 crore in 2009-10 as against ₹ 266.71 crore
- Cash plough back in the business grew 5.31% from ₹ 404.06 crore in 2008-09 to ₹ 425.51 crore in 2009-10
- Earning per share stood at ₹ 20.20 (basic) and ₹ 20.20 (diluted) in 2009-10

What is of greater significance is that the year under review vindicated the robust and flexible business model which facilitated achieving these numbers despite a key business vertical of 2008-09 namely Basic Telecom (BT) shelters generating marginal income in 2009-10.

Your Company sustained its growth momentum during the year and continued to aggressively pursue inorganic and organic opportunities to strengthen its competitive position and enhance stakeholder value.

Dividend

Your Company practices a policy of maintaining a prudent balance between the need to reward shareholders for their faith in the management and its own investment need to capitalise on emerging business opportunities through a larger proportion of internal accruals which would further strengthen shareholder value.

The benefit of this policy is reflected in a 77-year uninterrupted dividend payout and an enterprise value which registered a 25% CAGR over the last decade (leading to 2009-10).

In keeping with its conventional policy, your Directors are pleased to recommend a dividend of ₹ 1.20 per equity share (₹ 1.10 per share in 2008-09) on a face value of ₹ 2 each on 13,64,95,433 equity shares and any further shares that may be allotted by the Company, following the conversion of bonds prior to September 14, 2010. This dividend will be subject to the approval of shareholders, financial institutions and banks at the forthcoming Annual General Meeting.

	2006-07	2007-08	2008-09	2009-10
Dividend as percentage of net profit (%)	8.23%	6.31%	5.63%	5.98%
Dividend per share (₹ per share)	0.96	1.00	1.10	1.20

Business review and divisional performance

A detailed discussion of your Company's operations is given elsewhere in this annual report under 'Management discussion and analysis report.'

1) **Plastics division**

   The plastics division strengthened its position as the Company's key growth engine:

   - Registered a 10% growth from ₹ 1,515.32 crore in 2008-09 to ₹ 1,666.93 crore in 2009-10
   - Accounted for 82.91% of your Company's revenue in 2009-10 against 80.46% in 2008-09
   - Contributed 119.70% to the Company's 6.13% topline growth which nullified the marginal decline in the textiles division

   This division grew despite marginal contribution from last year's key business driver, the BT shelters business, owing to the massive growth in earnings from the monolithic construction business. Other contributors include building products and custom moulded products. Your Company introduced a number of novel products and solutions which strengthened the 'Sintex' brand recall and grew market share in key business verticals.

Monolithic construction: It was another year of excellent results for your Company's affordable housing programme which strengthened its position as the leader in mass housing for EWS/LIG segment, vindicating the management's initiative of pioneering this technology in the Indian environment. Your Company's ability to deliver superior-quality and low-cost mass housing solutions is reflected in the following business realities:

- Delivered significant number of dwelling units in 2009-10
- A sizeable unexecuted order book which represents revenue visibility over the current year

The Central Government's initiative to provide homes to every family below the poverty line is expected to boost the Company's growth plans. Moreover, your Company has taken definite steps to establish itself as a real estate developer to offer low-cost housing solutions under its own brand name.

Prefabricated structures: The prefabs business suffered a setback in 2009-10. This was largely owing to slackened demand from the telecom sector.

As telecom majors halted their roll out plans, the demand for BT shelters remained absent. Your Company expects this scenario to continue over the short term. What was heartening was that your Company's established position as a total solution provider for telecom service providers yielded impressive returns. This opportunity is expected to grow over the coming years. Your Company increased its focus on pre fabricated structures for education and health sectors where large capital for infrastructure creation is earmarked.

In 2008-09, your Company also introduced a new line to manufacture sandwich panels, which are expected to emerge as a revolutionary product group that will help the Company redefine construction. Cold storages built with sandwich panels are gaining success and are expected to emerge as a robust growth engine over the short term. In 2009-10, your Company undertook a campaign to promote sandwich panels, a relatively lesser known product.

Your Company expanded its range of doors and windows where PVC/UPVC windows witnessed increasing acceptance owing to their various advantages like energy efficiency and sound proof over traditional windows. The doors and windows division, coupled with plastic sections, is expected to deliver impressive growth in the future.

Besides, your Company's products gained international acceptance owing to superior functional attributes.

Custom moulding: It was a very interesting year for your Company in this segment with numerous successful product developments for diverse sectors catering to both global and domestic customers. Some products were under advanced stages of approval, for others, your Company received orders which are expected to yield significant results.

Your Company actively pursued the OEM business, securing approval from companies like John Deere, M&M, Cummins and Kirloskar Engines, among others, for specialised and customised products.

Additionally, your Company built upon its excellent business relationship with the electrical sector to grow its revenue from the energy sector. Your Company is focusing on the distribution and feeder-pillar boxes to capitalise on the opportunity emerging from the modernisation of the T&D segment of the energy value chain. Your Company is now moving towards a total solution provider by integrating various equipments with its boxes to be one-point source for utility companies. Your Company was rated the best contractor for its turnkey projects in Rajasthan, an event that could create new business opportunities in this geography.

In the FRP tanks segment, your Company increased its business visibility with approvals from HPCL, Essar and IOC for its underground tanks.

Liquid management solutions: Water tanks, the Company's flagship brand, maintained its growth and expanded its presence across geographies with greater reach in rural and semi-urban markets. Water tanks, maintained a dominant position and a range of panel type tanks for larger capacities was added to your Company's product basket.

In anticipation of huge opportunities for decentralised waste water systems, the Company increased focus on septic tanks, collaborating with Aqua Nishihara Corporation Ltd, Thailand and Japan to develop Decentralised Wastewater Treatment Systems (DEWATS). The great utility of the packaged sewage treatment plants was reflected in several successfully installations across the country. Your Company expects to replicate this success across wider regions in India over coming years. The Company's other innovative solutions -- rain water harvesting system for drinking water and grey water recycling systems -- received good responses.

Material handling solution: The Company offered a total material handling solution to industries and institutions by adding racking systems and equipment to its range, registering a positive growth.

Green initiatives and prospects: Your Company initiated green orientation around built-up structures. It created awareness regarding sustainable development and green building products and technology in association with CEPT University, Ahmedabad. Under Sintex Chair, CEPT signed an MoU with the Indian Green Building Council for evaluation, approval and recommendation of various materials and technologies that form a part of green buildings in India.

With the integration of certain 'green' elements, your Company offers various technologies for affordable green housing solutions like decentralised wastewater treatment systems, grey water recycling systems, solar water heating systems, biogas plants, composting bins and rain harvesting structures.

2) Textiles division

Following the global meltdown's effect on advanced economies, consumption expenditure, especially fashion textile off take, was significantly curtailed, impacting the textile business in 2009-10; turnover stood at ₹ 343.63 crore in 2009-10 against ₹ 368.09 crore in 2008-09 while exports stood at ₹ 27.07 crore against ₹ 21.07 crore in 2008-09. In line with global realities, your Company intelligently focused on the domestic market, especially on semi-urban and rural markets which sustained product offtake. Further, your Company expanded its product basket for women's wear and added a number of global and domestic customers to its largely branded-clientele.

Your Company continued to add new equipments replacing conventional machinery with technology-intensive, high-speed, contemporary variants, which is expected to drive business volumes in the coming years.

Subsidiaries

During the year under review,

- Zeppelin Mobile System India Ltd, a subsidiary, became a wholly-owned subsidiary as the Company acquired the balance 26% stake.
- Sintex Infra Projects Ltd, a wholly owned subsidiary, was incorporated in November,2009
- Esveegee Steel (Gujarat) Pvt. Ltd (now known as Sintex Oil and Gas Private Limited)- 100% equity stake was purchased in September,2009

Subsidiaries - performance

1) Zeppelin Mobile Systems India Ltd.

In 2009-10, the Company's revenue grew 20.77% to ₹ 133.84 crore as compared with ₹ 110.82 crore in 2008-09, driven primarily by telecom TSP contracts and also by the newly established telecom training centre, EPC business and the strategic initiative of shifting and expanding from telecom infrastructure to infrastructure space.

During the year under review, raw material expenses skyrocketed owing to the telecom sector dominating the sales mix. Higher salary and wage cost owing to induction of more skilled labour increased human asset investment. In the future, higher value project execution is expected to reduce labour cost impact on turnover. The uncertainty on 3G auction, BSNL mega infrastructure tender, site sharing by new operators and the technology shift to outdoor BTS impacted new cell site demand and the margins.

During financial year 2009-10, Zeppelin devised and implemented a strategic path to gradually diversify and become an infrastructure entity with interest in EPC contracts and government businesses.

2) Bright AutoPlast Pvt. Ltd

With six manufacturing units across five locations, Bright AutoPlast reported a ₹ 191.13 crore revenue with improved profit margin during the period under review. The commissioning of its second facility at Chennai in March 2009 added significantly to the Company's growth and profitability. Moreover, product approvals for new applications of existing customers and a wider customer base helped improve the Company's profits. The Company's Pune unit is certified with TS-16949 certificate that provides for continual improvement, emphasising defect prevention and reduction of variation and waste in the supply chain.

3) Wausaukee Composites Inc. (WCI)

Wausaukee Composites Inc., despite the global crisis, reported topline of US$ 30.84 mn in 2009-10. The Company caters to New Flyer Bus Company, the largest North American bus manufacturer for a programme worth around US$1.20 mn annually. The Company also gained from the launch of the Harley-Davidson and Tri-Glide Motorcycle Body Programme. With a long-term view of wind energy development, especially in North America, the production of wind turbine nacelles and blade hub covers for Acciona Wind Energy and Clipper Wind was on an upward trend. The Company was awarded the Siemens Transportation Systems as well as Salt Lake City Interior Components Programme of Mass Transit segment.

4) Nief Plastics SA

During 2009-10, despite an unprecedented crisis in Europe and negative GDP for the Europe area, Nief Plastics grew business revenue and preserved various profitability ratios. The main reason for this positive performance and profitability ratios were Nief's business diversity and associated technological and marketing expertise. Nief Plastics manufactures a wide variety of plastic products with applications in the automotive, electrical and electronics, aeronautics and defence, household appliances and building industries. Nief Plastics also acquired two more companies named SICMO and SIMOP, specialised in studying, making and testing metallic moulds for plastic injection or light metal alloy. The Company strengthened its position in Europe through these acquisitions and a wider client base. The Company aims at group development through external growth, as the economic situation favours consolidation of the plastic sector in Europe.

5) Sintex Infra Projects Ltd

A wholly-owned subsidiary was incorporated in November 2009 to cater exclusively to the infrastructure sector. The Indian economy is targeting a double digit GDP growth rate in 2011-12. Increase in demand for goods and services, fresh capital investment by private sector in industrial and service sectors, buoyant capital market and heavy thrust by government on infrastructure development is likely to boost and consolidate economic growth over next few years. In this economic environment, the construction industry continues to grow at a scorching pace. Given the positive economic climate and sound fundamentals, the industry is poised for a big leap. To achieve these paramount benefits of the business, your Company thinks it's the ideal time to get into this industry.

Sintex Infra Projects secured contracts worth ₹ 174.50 crore from Northern States for work relating to survey, investigate, design, supply, lay, commission RCC/PSC/HDPE/GRP pipes in trunk/ lateral branch sewers and its allied works such as construction of manhole chambers, among others.

6) Esveegee Steel (Gujarat) Pvt. Ltd

The subsidiary was added through the acquisition of 100% equity stake and subsequently, the name was changed to Sintex Oil & Gas Pvt. Ltd.

Under the New Exploration Licensing Policy (NELP) for exploration of oil and natural gas, Sintex Oil and Gas submitted bids for six inland type S-Block under the NELP-VIII offer. It emerged successful for three blocks - CB-ONN-2009/1, CB-ONN-2009/2 and CB-ONN-2009/7. As per the NELP guidelines, the Company will sign a production sharing contract with the Indian Government to explore, develop and produce petroleum resources in these blocks.

Re Set of Conversion price - FCCB

Pursuant to the terms and conditions of the Bonds, the conversion price has been reset on March 12, 2010 from ₹ 580 per Equity Shares to ₹ 493 per equity share.

Due to conversion price reset, on full conversion of FCCBs, the Company has to issue 1,84,97,464 equity shares of ₹ 2 each instead of 1,57,22,844 equity shares of ₹ 2 each as per original conversion price.

Employee stock option scheme

The shareholders of the Company had approved of its employee stock option plan (Sintex Industries Limited Employees Stock Option Scheme 2006) in February 2006. This ESOPS is administered by the Sintex Employee Welfare Trust on the basis of recommendations of the Compensation Committee of the Board. In terms of the plan, the Company periodically granted stock options to eligible employees. The Company will conform to the accounting policies specified in the guidelines as amended periodically. The details of the scheme are set out in Annexure 1 of this report.

Changes in equity share capital

In 2009-10, there was no change in the share capital of the Company.

Directors

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Shri Ashwinbhai Lalbhai Shah, Dr. Lavkumar Kantilal and Shri, S.B. Dangayach retire by rotation, but being eligible offer themselves for re-appointment.

Your Directors reappoint, subject to the approval of members at the meeting, Shri S. B. Dangayach as Managing Director for a period of 5 years from June 7, 2010.

For the kind perusal of the shareholders, a brief resume of each of them, the nature of their expertise and the name of the companies in which they hold directorships and the details of membership of the committees of the Board are enclosed. Your Directors recommend their reappointment.

Fixed deposits

Your Company did not float any deposit scheme.

Listing of shares and securities

The names and addresses of the stock exchanges where the Company's securities are listed are given below:

- The National Stock Exchange of India Ltd, Exchange Plaza, Plot No. C-1, G Block, IFB Centre, Bandra Kurla Complex, Bandra (East), Mumbai 400051
- Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001
- Ahmedabad Stock Exchange Ltd, Kamdhenu Complex, Panjrapole, Ahmedabad 380015
- Singapore Exchange Securities Trading Limited, 2 Shenton Way, # 19 – 00 SGX Centre 1, Singapore 068804 (FCCB'S USD 225 million)
- Bombay Stock Exchange Limited (Wholesale Debt Market), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001 (NCD ₹ 250 crores)

The Company paid listing fees to all the above stock exchanges for 2010-11.

Corporate Governance report

Your Directors adhered to the requirements set by the Securities and Exchange Board of India's Corporate Governance practices and implemented all the stipulations prescribed.

A separate Corporate Governance report is furnished as a part of Directors' report and the Certificate from the Company's Auditors regarding compliance with the conditions of Corporate Governance is annexed to it.

Your Company is complying with the provisions related to Corporate Governance as per clause 49 of the Listing Agreement. Your Company is also in the process of implementing the Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India on December, 2009

Directors' responsibility statement

To the best of their knowledge and belief and based on the information obtained by them, your Directors make the following statement in terms of Section 217 (2AA) of the Companies Act, 1956:

1. That in the preparation of the annual accounts for the year ending March 31, 2010, the applicable accounting standards have been followed and there have been no material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
4. That the annual accounts for the year ending March 31, 2010 have been prepared on a going concern basis.

Consolidated financial statements

The Company made an application u/s. 212(8) of the Companies Act, 1956 to the Central Government seeking exemption from attaching an annual accounts of subsidiaries and expects to receive the same.

The some key information has been disclosed in a brief abstract forming part of this Annual Report. Accordingly, the report contains the consolidated audited financial statements prepared as per Clause 41 of the Listing Agreement entered into with the stock exchanges and prepared in accordance with the accounting standards prescribed by the ICAI.

Further, the annual accounts of the subsidiary companies and the related detailed information will be made available to any member of the Company/its subsidiaries at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any member of the Company/its subsidiaries at the Registered Office of the Company and that of the respective subsidiary companies.

Conservation of energy, technology absorption

A statement containing the necessary information required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report as Annex 2.

Particulars of employees

The information required under section 217(2A) of the Companies Act, 1956, read with Companies (Particular of Employees) Rules, 1975, forms part of this report as Annex 3. However, as permitted by section 219(I)(b) (iv) of the Companies Act, 1956, this Annual Report is being sent to all shareholders excluding the said Annexure. Any shareholder interested in obtaining the particulars may obtain it by writing to the Company Secretary at the Registered Office of the Company.

Insurance

All the insurable interests of the Company, including plant and machinery, stocks, loss of profits, standing charges and insurable interest are adequately insured.

Auditors

M/s. Deloitte Haskins & Sells, statutory auditors of the Company, retire and being eligible, have indicated their willingness to be re-appointed. The observations made in the Auditor's Report are self-explanatory and do not call for any further comments under Section 217 of the Companies Act, 1956.

Cost accounting records

As required under the order made by the Central Government, the Company is maintaining necessary cost accounting records with respect to cotton textiles.

Acknowledgements

Your Directors express their gratitude for the cooperation and support received from vendors, customers, banks, financial institutions, shareholders and society at large. Your Directors also take, on record, their appreciation for the contribution and hard work of employees across all levels. Without their commitment, inspiration and hard work, your Company's consistent growth would not have been possible.

On behalf of the Board,

Date : April 30, 2010 **Dinesh B. Patel**
Place : Ahmedabad *Chairman*

Annexure 1 to the Director's Report

Disclosure pursuant to the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

Details of the grants as on March 31, 2010	
a. Total number of options covered under the plan	10,00,000
b. Total number of options granted	10,00,000
c. Pricing formula	An exercise price of ₹ 91.70 per share shall be payable by an employee pursuant to the ESOP Scheme. The employee can opt for conversion of the options by applying to the Trust by a written notice during the exercise period, in a specified format accompanied by payment of the exercise price and all applicable taxes. Such notice is required to be provided by the employees to the Trust not less than 30 (thirty) days before the exercise of the options by the employee.
d. Vesting schedule	All options granted on any date shall vest at the expiry of 36 months from the date of the grant
e. Options vested	Nil
f. Options exercised	Nil
g. Options lapsed	Nil
h. Variation of terms of options	No terms of the ESOP scheme have been varied.
i. Money realised by exercise of options	No options have been exercised so far and therefore no money has been realised till date by exercise of options.
j. Total number of options in force	10,00,000
k. Person-wise details of options granted to:	
i) Directors	10,000
ii) Key managerial employees	9,90,000
(iii) Any other employee who received a grant in any year of options amounting to 5% or more of options granted during that year	Nil
iv) Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding warrants and conversions) of the Company at the time of grant	Nil
l. Diluted earnings per share	Not applicable as no options have been exercised.
m. Weighted average exercise price	An exercise price of ₹ 91.70 per equity share shall be payable to the ESOP Scheme.
n. Weighted average fair value of options	Not applicable
o. Description of method and assumptions used for estimating fair value of options	Not applicable

Annexure 2 to the Director’s Report

Information required under Section 217(1)(e) of the Companies Act, 1956

1) Conservation of Energy

a) **Energy conservation measures taken:**

1) In textile Division, Humidification Plants are audited for its performance by calculation of volume and existing CFMs. From the report, CFMs are balanced in all plants by changing blade angles and switching off the return and supply air fans, ultimately resulting into saving of energy.
2) In textile division, for supplying Raw Water earlier Two Working plus One Standby V-Belt driven Pumps (each having 30 HP capacity) were running. By installation of submersible pumps (10 HP – one working and one standby) all old V-Belts driven pumps are now stopped resulting into saving of energy.
3) In textile division, for supplying Raw Water to Softening Plant earlier Two Working plus One Standby Centrifugal Pumps (each having 25 HP capacity) were running. By installation of submersible pump (20 HP – One Working and one standby) all old centrifugal pumps are now stopped resulting into saving of energy.
4) In textile division, overhead process water tank is installed. Before installation process water supply pump was running continuously 24 Hrs. After installation of overhead tank the working of this pump is reduced to 50 %.
5) Condensate water from CRP Plant taken back into system for re-use resulting into saving of cost.
6) At central effluent treatment plant, earlier total four nos. Surface Aerator Fans (each having 60 HP capacity) were running. After changing the process of treatment, one no. surface aerator fan is stopped now resulting into saving of energy.
7) At central effluent treatment plant, earlier one no. blower motor (having 30 HP capacity) was running continuously 24 Hrs. After changing the process of treatment, working hours of this blower motor is now reduced to 40% resulting into saving of energy.
8) At central effluent treatment plant, process chemical cost was cut down by implementing new process steps. Earlier it was ₹ 3.00 and now it is ₹ 1.33 per 1000 liter effluent water.
9) In plastic division during the year, several modifications were made in the moulding machines to increase the production with the same input of energy. This is expected to bring down the energy consumption. Several measures were taken for redesigning the energy consumption in the other manufacturing departments.

b) **Additional Investments and Proposals, if any, being Implemented for Reduction of consumption of energy.**

1) In Textile division we are installing High Efficient L. R. Ring frame machine in our Spinning Section in place of old conventional Ring Frame machine resulting into achievement of substantial power savings.
2) In textile division, Old Semi Automatic Type Staffi Made Yarn Dyeing Machines are to be replaced with fully automatic Gofront Made Yarn Dyeing Machines which are more energy efficients.
3) In plastics division, we are considering to use energy efficient burners and energy efficient light fittings in the whole plant.

c) **Impact of the measures (a) and (b) above for reduction of the Energy consumption and consequent impact on the cost of Production of goods.**

1) In Textile Division higher and good quality of production achieved with saving of considerable power consumption.
2) The above mentioned measures have resulted into energy saving and subsequent reduction in energy cost and hence in cost of production.
3) In Plastics Division the impact of energy saving devices will be peripheral in the beginning. It can however be substantial if the whole programme is implemented.

d) **Total energy consumption and energy consumption per unit of production in respect of the Company's products.**
Details are provided in Form A annexed hereto.

2) Technology Absorption

e) **Efforts made in technology absorption**

a) In Plastic Division we have been able to assimilate and develop products based on technology of Containment solutions, USA in the field of underground tanks, manholes, wet wells etc.
b) We have been further able to develop several models of package type waste water treatment plants and septic tanks to address problem of wastewater treatment at site in a decentralized manner through technical collaboration with M/s. Aqua Nishihara Corporation Ltd., Japan.
c) We have also developed appropriate technologies and techniques in the field of windows, doors and SMC products, among others.

Details are provided in Form B annexed hereto.

3) Foreign exchange earnings and outgo

f) **Activities relating to exports, initiatives taken to increase exports, development of new markets for products and services and export plans.**

In Textile division, the Company has obtained quality certification "OEKO TEX" Standard 100 Certificate for Eco-friendly Products, Certified by TESTEX, Switzerland. Ongoing initiatives are regularly made to explore new markets and widen the reach of the products, by regular meetings with customers and participation in exhibitions. These all has enhanced the competitiveness of our products in global markets.

g) **Total foreign Exchange used and earned.**

(₹ in Crore)

	2009-10	2008-09
i) Foreign Exchange earned including direct exports.	40.34	33.30
ii) Foreign Exchange used	84.91	28.50

FORM - A

Form for disclosure of particulars with respect to consumption of energy.

	Current Year	Previous Year
A) Power and Fuel Consumption	**2009-10**	**2008-09**
1. Electricity:		
a) purchased: Unit (lacs)	243.60	151.26
Total Amount (₹ lacs)	1373.79	850.45
Rate/Unit (₹)	5.64	5.62
b) Own Generation		
i) Through Captive Power Plant: (M&W)		
Units (lacs)	81.37	182.42
Units per litre of Diesel/Furnace oil/Gas	3.78	3.71
Cost/Unit (₹)	5.51	4.28
ii) Through Captive Power Plant: (GT)		
Units (lacs)	508.53	418.38
Units per SCM of Gas	3.13	3.33
Cost/Unit (₹)	5.32	5.13
iii) Through Diesel Generator:		
Units (lacs)	-	5.20
Units per litre of Diesel	-	2.97
Cost/Unit (₹)	-	13.68
2. Furnace Oil: (Qty.Kilolitres)	1853.59	1859.63
Total Amount (₹ lacs)	385.92	377.22
Average Rate (₹ / litre)	20.82	20.28
3. Others:		
a) Natural Gas		
Quantity Consumed in M3	6321.50	6648.38
Total cost (₹ lacs)	291.53	319.12
Rate/Unit (1000 m3) (₹)	4611.70	4800.00
b) RLNG Gas		
Quantity Consumed in (000) SCM	8352.67	7651.75
Total cost (₹ lacs)	1391.56	1640.19
Rate/Unit (000 SCM) (₹)	16660.00	21435.62
c) L.P.G		
Quantity consumed (in lacs kgs)	34.57	31.95
Total cost (₹ in lacs)	1319.25	1413.96
Rate/unit (Kgs.) (₹)	38.16	44.25

	Standard	Current Year	Previous Year
B) Consumption per Unit of Production:			
1. Electricity (Units)			
Textile			
a) Fabrics on production meters basis	No	2.84	3.36
b) Yarn (per kg.)	Specific	4.90	6.65
Plastic Containers (per kg.)	standard as such	0.56	0.54
	The consumption		
Plastic Section (per kg.)	per unit	0.89	0.81
	depends		
Sheet Moulding (per kg.)	On the	0.58	0.62
	Product		
Thermoforming	Mix	1.47	1.84
2. Furnace Oil (Textile – on production mtr.basis)		0.11	0.31
3. Others:			
a) Gas(M3)			
Textile (on production meters basis)		0.13	0.17
Plastic Containers (Per kg.)		0.21	0.23
Plastic Sections (Per kg.)		0.01	0.01
b) L.P.G			
Plastic Containers (Per kg.)		0.24	0.23

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

FORM - B

Form for disclosure of particulars with respect to absorption of technology, research & development

Research and Development (R & D)	
1. Specific areas in which R & D carried out by the Company	Prefab shops, prefab houses, kiosks, modular toilets, portable toilets, underground water tanks, underground petroleum tanks, septic tanks, package type wastewater treatment systems and bamboo houses, among others.
2. Benefits derived as a result of the above R & D.	Plastics division developed various technologies and techniques in the field of plastics for the manufacture of above products.
3. Future plan of action	Plastics division will continue to work on the improvement of our major products as well as developing specialised applications on existing processes.
4. Expenditure on R & D	
a) Capital	NIL
b) Recurring	
c) Total	
d) Total R & D expenditure as a percentage of total turnover	
Technology absorption, adaptation and innovation.	
1. Efforts, in brief, made towards technology absorption, adaptation and innovation.	Efforts are made to improve cost effective technology for productive and quality improvement.
2. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	The Plastics Division has introduced a number of new products and opened up new areas of business.
3. Information regarding technology imported during the last five years.	Not applicable.

Management's Discussion and Analysis

Indian economy

India's (1.16 billion people) GDP at purchasing power parity was around US$3,548 billion in 2009, making it the world's fourth largest economy after the United States of America, China and Japan in purchasing power parity terms *[Source: CIA World Fact Book]*.

The country's gross domestic product (GDP) grew 7.4% in 2009-10 against 6.7% in 2008-09 (Source: CSO). During 2009-10, Indian GDP grew in all quarters by 6.13%, 8.83%, 6.00% and 8.57%, respectively, over the previous quarters.

	Y-O-Y (% change)	
Industry	2009-10	2008-09
Agriculture, forestry and fishing	(0.2)	1.6
Mining and quarrying	8.7	1.6
Trade, hotels, transport, communication	8.3	7.6
Manufacturing	8.9	3.2
Electricity, gas and water supply	8.2	3.9
Construction	6.5	5.9
Financing, insurance, realty and business services	9.9	10.1
Community, social and personal services	8.2	13.9
GDP at factor cost	7.2	6.7

The cumulative value of imports from April 2009 to February 2010 declined 13.5% in dollar terms and 8.5% in rupee terms to US$284.4 billion against US$288 billion over the corresponding period in the last fiscal. However, exports during April-February declined 11.3% in dollar terms and 6.1% in rupee terms from US$172.3 billion to US$153 billion over the same period last fiscal (Source: The Hindu).

India's foreign exchange reserves

	2006-07	2007-08	2008-09	2009-10 (as on 31st March 2010)
Foreign exchange reserve (USD bn)	199.18	309.72	251.99	283.50

Investments and savings

	2006-07	2007-08	2008-09
Gross capital formation (as a percentage of GDP at market prices)	36.9	39.1	34.9
Savings rate (as a percentage of GDP at market prices)	35.7	37.7	32.5

India's per capita income and consumption

India's per capita income, an economic growth indicator, increased 5.3% to ₹ 40,745 in 2009-10 from ₹ 38,695 last year.

India's per capita income and consumption at 2004-05 prices

	Income		Consumption	
	₹	(%) Growth	₹	(%) Growth
2004-05	29,745		17,620	
2005-06	32,012	7.6	18,909	7.3
2006-07	34,533	7.9	20,168	6.7
2007-08	37,328	8.1	21,841	8.3
2008-09	38,695	3.7	23,012	5.4
2009-10	40,745	5.3	23,626	2.7

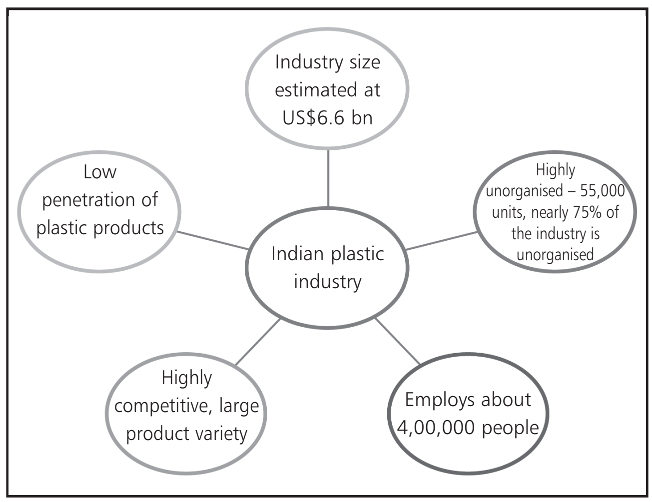
Source: CSO.

Plastic industry: Encompasses polymer materials manufacture (natural and synthetic compounds), building construction, packaging and transportation; varied industry application comprises aerospace, automobiles, electronics, household applications, polymer, chemicals, petrochemicals and ceramics.

Indian plastic industry: Pegged at around US$6.6 bn, the industry possesses around 55,000 units, employs over 3.6 mn people and attracts further investments.

Exports: Contributes 2.17% of India's total exports, valued at US$3,513 mn and identified as government's thrust area

Domestic plastic industry is large and fragmented



[Source: IBEF]

India's per capita consumption vis-à-vis the world

(in kg)

Japan	Europe	USA	China	World	India
90	90	80	30	20	6

India's finished plastic products: Comprises over 30,000 units and produces an extensive product range through various sequential processes (injection moulding, blow moulding, extrusion and calendaring)

End user products: Plastic balls, plastic bags, polypropylene bags, polyethylene bags, plastic barrels, plastic caps, plastic bottles, plastic baskets, plastic basins and plastic bowls

Appliances: Plastic bearings, plastic bellows and plastic belting, among others

Outlook

India's per capita plastic consumption is likely to double by 2011, propelled by growing per capita income and changing demographic profile. The result: By 2012, India is expected to emerge as the world's third largest plastic consumer after the US and China, consuming 12.5 mn tonnes annually and attracting US$80 bn fresh investments.

Strategic developments, 2009-10

- Invested ₹ 137.89 crores in its standalone operations to enhance production and operational efficiency
- Established a new plant in Nalagarh while Nagpur and Namakal plants are under construction
- Nief Plastics acquired two companies named SICMO and SIMOP, increasing the European customer base; these companies are specialised in making and testing metallic moulds for plastic injection and light metal alloys
- Incorporated a wholly-owned subsidiary, Sintex Infra Projects Ltd to capitalise on the growing domestic infrastructural developments
- Acquired Esveegee Steel (Gujarat) Pvt. Ltd (100% equity stake) and renamed it Sintex Oil and Gas Pvt. Ltd

Developments in plastic business

Driven by MCC and custom moulding, the Company's plastics business grew 10% and contributed 83% to the gross turnover in 2009-10 against 81% in 2008-09.

Building materials division: Accounted for about 65.26% of net sales in 2009-10 and comprised monolithic concrete housing solutions, prefabricated structures, liquid management solutions and waste management systems

- **Monolithic concrete constructions:** Sintex extended footprint to southern India following a northern and western focus. During 2009-10, Sintex delivered low-cost affordable houses, extended to monolithic boundary walls and even moved over to MIG (middle income group) houses. Even upgraded skills to improve formwork quality and the variations emerging from formwork.
- **Prefabricated structures:** The Company's prefab business operates in 15 states across India. It pioneered the manufacture of a range of panels used as roofing and wall materials in different sizes. The Company carried out awareness and promotional campaigns to educate people about insulated and energy saving sandwich panels, a relatively new product with a vast potential market (suitable substitute for GI and tins for roofing). Energy Conservation Building Code (ECBC) 2007 is expected to drive energy-efficiency discipline in future, increasing sandwich-panel demand.

  The Company graduated from small prefabricated structures to factory heads, warehouse shelters, schools, site offices and bungalows, among others.
- **Water tanks (flagship brand):** The Company's took the following measures to drive offtake:
  - Strengthened the pan-India retailer chain and restructured the incentive scheme for retailers and distributors
  - Launched white 'triple wall tank' for the premium market and tanks in various other colours to cater to a wider market
  - Established itself in the underground tank segment, supplying to IOCL and receiving approval from HPCL and ESSAR
  - Supplied around 5 lakh tanks at various locations under the Indira Gandhi Water Supply Programme
  - Developed special tanks (removes 98% of the iron) with filters for villages in Karnataka having rich iron content
- **Interiors:** The Company entered the specialised interior segment to carve out a market niche.
  - Evolved products for special applications with unique finishes
  - Supplied doors and windows for low-cost projects like the Rajiv Gruha Kalp Yojana in Hyderabad and MAP (Married Accommodation Programme) for the army, among others.
  - Initiated cross-promotional offers and product bundling to widen market
  - Supplied to high-end constructors and builders in 2009-10
  - Built capacity and enhanced focus on energy efficient products like uPVC/PVC windows and energy-saving insulated doors.

Waste management system: Sintex realised the importance of managing wastes discharged from residential and commercial complexes and buildings and increased focus on decentralised waste water treatment systems. These systems are superior to centralised counterparts in terms of energy consumption and efficiency. The Company offered decentralised wastewater treatment system (DEWATS) in collaboration with Aqua Nishihara Corporation of Thailand and Japan to recycle wastewater. Sintex supplied rainwater harvesting systems for drinking water and biogas plants and for the first time in the country, successfully addressed the problem of wet waste by introducing compost bins.

- **Custom moulding division:** Reconciles a low-volume but a margin-accretive business as products are customised to suit client requirements. The client base comprises large global and domestic corporations – the mind to market cycle for each product is stretched. Hence the division grows at a mature pace.

  Core custom moulded products: During 2009-10, Sintex initiated a project with Rafael, an Israel-based Company, supplying carrier cases for missile components – a highly technical product owing to the huge size (1.5m x 1.5m) and extensive testing requirement. Also, supplied bus seats to Ashok Leyland, Cummins, Vijay Jyoti, Alma Motors and Heriff. The Company secured orders for multiple products for Kirloskar Engines and pumps. Its pride-enhancing clientele comprises John Deere, Nissan, Mahindra Bolero, Escorts, New Holland and Poly John.

For Prodelin, General Dynamic's Indian concern Sintex manufactures microwave dish antennae (60 mm-120 mm), which involves complex moulding.

Sheet moulded compound products (SMC): The Company's presence is spread across Gujarat, Maharashtra, Tamil Nadu, Andhra Pradesh and Uttar Pradesh. In 2009-10, Sintex expanded its presence to Delhi, Haryana and Orissa, and undertook the following initiatives:

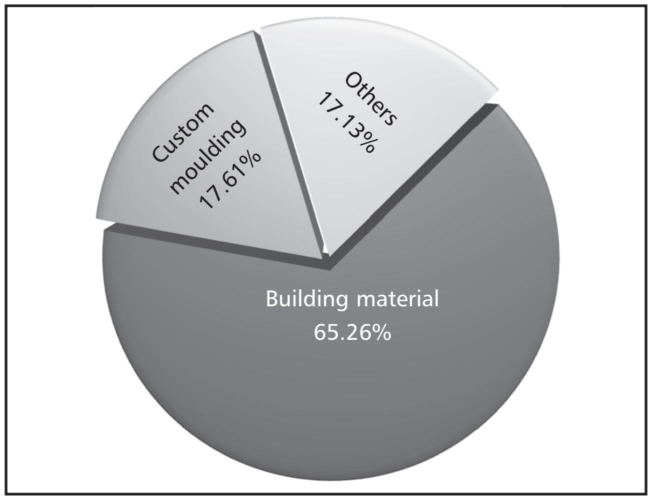
- Enhanced focus on the market for meter boxes and distribution; supplied ice boxes with unique finish to Australia; developed easy-to-install and corrosion-proof polymeric manholes enjoying higher durability than conventional manholes
- Supplied signboards made of FRP under the Rajiv Gandhi Gramin Vidyutikaran Yojana; this segment is expected to derive enormous volumes once NHAI gives approval as nearly 50 signboards are installed for every kilometre
- Developed corrosion-proof moulded cross arms for coastal areas; received supply orders from Haryana
- Positioned itself as a competent ECB contractor in electric distribution; likely to emerge as a significant player with the growing opportunities in the area of renovation, improvement and installation of distribution lines
- Developed pultruded cable trays for refinery projects, catering to prestigious clients like ONGC
- Provided transmission boxes for auditing power transmission and distribution under RAPDP (Restructured Accelerated Power Development Programme)

The Company anticipates huge opportunities in the feeder pillar box segment owing to the growing popularity of underground cabling.

Others: Sintex is increasing focus on FRP transformer fencing, which is expected to generate enormous returns and volumes (received approvals in Gujarat and is likely to enter Uttar Pradesh). Besides, in 2009-10, Sintex worked with various agencies on super-tough plastic pallets, a segment with high growth potential owing to rising environmental consciousness, which is declining preference for conventional wooden pallets.

Operational performance, 2009-10: Revenue from the plastic division stood at ₹ 1,666.93 crore against ₹ 1,515.32 crore in 2008-09, reflecting 10% growth. Its contribution to the Company's turnover increased to 83% in 2009-10 against 81% in 2008-09. The EBIDTA margin for this division strengthened 41 basis points to 24.47% in 2009-10, fuelled by the growth in the monolithic concrete construction and building product division.

Contribution to the Company's revenue	(in percentage)
Building material	65.26%
Custom moulding	17.61%
Others	17.13%



Strategic blueprint

- Evolve new business models and install cutting-edge, high-output machines to enhance operational efficiency
- Strengthen distribution network to develop presence across India
- Increase focus on global markets through new and existing business verticals

Textile industry

The US$52-bn Indian textile industry affects 80 million lives (directly employs 35 mn, indirectly 45 mn), contributes 14% to industrial production, 4% to the GDP and 16.63% to export earnings. Around 40% of the textile produced in the country is exported.

The government announced a US$533.87-million subsidy for the textile industry under the Technology Upgradation Fund scheme (TUFs). It extends 10% capital subsidy and 5% interest subsidy on installation of machinery and for processing machinery under the TUFS. A 41-member working group has also been announced to be set up with a National Fibre Policy, ensuring self-sufficiency in domestic fibre consumption and export requirements.

Under the Union Budget, 2010-11, a five-year extensive skill development programme for the textile industry will be launched where around 3 million persons will be trained. Increase of excise duty from 8% to 10% is likely to adversely affect margins of textile companies, impacting the textile sector.

India's cotton scenario: World's second largest cotton producer; produced 23.5 mn bales of 480 lbs each in 2009-10 cotton acreage; surpassed 10 mn hectares in 2009, despite poor monsoons

Domestic cotton production (million of 480 lbs bales)

2005-06	2006-07	2007-08	2008-09	2009-10
19.1	21.8	24.0	22.6	23.5

[Source: USDA]

Technical textiles: Domestic market is expected to grow 11% annually, reaching ₹ 66,414 crore by 2012, which was about ₹ 37,115 crore in November, 2009; global market size was US$107 billion in 2005, expected to touch US$127 billion by 2010.

Outlook for the Indian textile industry

The industry targets US$6 billion foreign direct investment (FDI) by 2015 to be invested in greenfield units in textiles machinery, fabric and garment manufacturing, as well as technical textiles. The industry is expected to create 12 million new jobs by 2012.

India's textile industry targets 15% annual growth for the domestic industry and 20% annual growth for the exports markets to reach US$106 bn and US$66 bn by 2015 respectively (Source: FICCI). India's technical textile market is expected to reach US$13 billion by 2012-13 [Source: ITTA].

Sintex's textile business developments, 2009-10

- Diversified and ventured into new areas of textile like lycra, cotton viscose and polyester mix, widening the product basket
- Added new products like cotton silk, cotton linen, lurax, cotton excel and cotton with water soluble yarn
- Added new business with Espirit, Target One Star, Ann Tyler, among others and also established presence in ladies wear/women wear segments
- Developed new mechanical finishes like Peach, Brush and Airo Finishes and new chemical finishes including Nano car, anti micro biel, water repellents, stain resistance, no iron, etc
- Consolidated business with recently added customers (ESPIRIT and One Star) and established a strong base in Turkey
- Entered the furnishing fabric market with widely appreciated designs
- Emerged as a Certified Organic Cotton Product Producer and uses all certified products in its manufacturing process
- Ventured into the technical textile segment with tents, water proof and fire retardant fabrics for the defence segment

India's cotton industry

Strengths	Weaknesses
Vast textile production capacity	Growing global competition in the post 2005 trade regime under WTO
Large pool of skilled and cheap work force	Cheap textile imports from Asian neighbours
Efficient multi-fibre raw material manufacturing capacity	Technology obsolescence
Large domestic market	Poor supply chain management
Enormous export potential	Huge unorganised and decentralised sector
Very low import content	High production cost with respect to Asian competitors
Flexible textile manufacturing systems	

[Source: http://business.mapsofindia.com/india-industry/textile.html]

Operational performance

Despite lower consumer spending in the EU, the Company's business volumes increased; around 90% of the Company's production is exported to the EU. Besides, Sintex enhanced its presence in the rural and semi-urban markets of India through its ready-to-stitch packages. Textile production grew 9% from 1.57 lacs mtrs in 2008-09 to 1.71 lacs mtrs in 2009-10.

A combination of these factors maintained the textile business revenue at ₹ 343.63 crore in 2009-10. With its enhanced focus on value-added products, the per metre average realisation of the fabrics was maintained at ₹ 135.66 in 2009-10. Even exports accounted for 7.88% of the total sales against 5.72% last year owing to rupee appreciation.

Strategic blueprint

- Enhance efficiency, product improvement, quality compliance and timely-delivery order to retain customers
- Establish an extensive distribution network and supply chain to enhance rural-and-semi-urban market penetration in India
- Replace conventional equipment with state-of-the-art spinning machines

Risk management: Sintex's integrated risk management framework comprises prudent norms, structured reporting and control at each stage and reconciles with shareholder's desired total returns, the Company's credit rating and its desired risk appetite.

Human resources: The Company's enriched learning-and-action-oriented culture inspires its 3,466 people. Employees are imparted functional and attitudinal training at each level. The Company's inbuilt feedback mechanism and motivational programmes and events enhance employee morale. During 2009-10, Sintex hired Hewitt Associates to build a competence model to develop entirely new job descriptions and performance appraisal systems.

Internal controls and procedures: At Sintex, stringent internal control systems check unauthorised use of products and procedures. To enhance operational and quality compliance, the Company conducted regular and extensive checks at every stage of its production and dispatch in 2009-10. The Audit Committee, headed by a Non-Executive Independent Director, periodically reviewed the audit observation.

Corporate Governance Report

Compliance with Corporate Governance guidelines

Company's philosophy

Sintex Industries Limited has always practiced Corporate Governance of high standard over the last few years. The Company's policy on Corporate Governance is to make it a way of life by, inter alia, adopting superior standard of Corporate Governance practices through continual improvement of internal systems and satisfaction of employees, customers, stakeholders and society.

Corporate Governance aims at fairness, transparency, accountability and responsibility in the functioning of the Company with the ultimate objective of realising and enhancing shareholders' values. The Company's philosophy on the code of Corporate Governance is tuned to these aspects and to the philosophy of Sintex Group, which is:

i. To ensure that adequate control systems exist to enable the Board of Directors ("Board") in effectively discharging its responsibilities to all the stakeholders of the Company;

ii. To ensure that the decision making process is fair and transparent;

iii. To ensure the fullest commitment of the Management and the Board for the maximisation of shareholder value;

iv. To ensure that the employees of the Company subscribe to the corporate values and apply them in their conduct and

To ensure that the Company follows globally recognised corporate governance practices.

1. Board of Directors

The Board of Directors guides, directs and oversees the management and protects long-term interests of all stakeholders including but not restricted to shareholders, employees and the society at large.

- Composition

  The Board of the Company has an optimum combination of Executive Directors and Non-Executive Directors. The Non-Executive Directors include independent professionals.

  The Board comprises the Chairman, the Vice-Chairman, three Managing Directors and six Non-Executive Independent Directors. Out of the total strength of eleven Directors, six Directors are Independent. Thus your Company has taken all necessary steps to strengthen the Board with optimum combination of executive and Non-Executive/ Independent Directors.

  Independent Directors are those who apart from receiving sitting fees, does not have any pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company.

- Meeting and attendance

  Details of Board Meetings during the financial year

  During 2009-10, four Board meetings were held, one each on 9th May 2009; 14th July, 2009; 12th October, 2009 and 13th January, 2010.

SL. No.	Date	Board strength	Number of Directors present
1	9th May 2009	11	9
2	14th July 2009	11	9
3	12th October 2009	11	10
4	13th January 2010	11	11

The details of the Directors with regard to the outside directorships and committee positions as well as attendance at Board Meetings/Annual General Meeting (AGM) are as follows:

Sl. No.	Name of theDirectors	Category of Directorship	No. of Board meetings attended	Attendance at the last AGM	No. of Directorships in other public companies	No. of committee positions held in other public companies	
						Chairman	Member
1.	Dinesh B. Patel*#	Chairman	3	Yes	1	–	–
2.	Arun P. Patel *#	Vice Chairman	3	Yes	1	1	–
3.	Ramnikbhai H. Ambani	I and N.E.D.	4	Yes	2	1	–
4.	Ashwin Lalbhai Shah	I and N.E.D.	4	Yes	1	–	–
5.	Rooshikumar V. Pandya	I and N.E.D.	4	Yes	2	–	2
6.	Indira J. Parikh	I and N.E.D.	2	No	5	–	–
7.	Dr. Rajesh B. Parikh	I and N.E.D.	4	Yes	–	–	–
8.	Dr. Lavkumar Kantilal	I and N.E.D.	4	Yes	–	–	–
9.	Rahul A. Patel* #	M.D.	4	Yes	3	–	–
10.	Amit D. Patel *#	M.D.	3	Yes	5	1	–
11.	S. B. Dangayach#	M.D.	4	Yes	2	–	–

Executive

* Promoters

M.D. = Managing Director,

I and N.E.D. = Independent and Non–Executive Director

2. Code of Conduct

The Company formulated and implemented a Code of Conduct for Board Members and Senior Management Personnel of the Company which is also posted on the website of the Company.

Requisite annual affirmations of compliance with the respective Codes were made by the Directors and senior management of the Company.

3. CEO/CFO certification

A Certificate from the CEO/CFO Managing Director in terms of Clause 49 (V) of the Listing Agreement relating to Annual Financial Statements was placed before the Board.

4. Audit Committee

- Composition, meeting and attendance during the year

The first and foremost objective of the Audit Committee is to translate the Company's overall objectives and the associated responsibilities into an action plan. It acts as a link between the management, the statutory auditors and the internal auditors and the Board of Directors and oversees the financial reporting process. During 2009-10, the Audit Committee met four times on 9th May, 2009; 14th July, 2009; 12th October, 2009 and 13th January, 2010, to deliberate on various matters. The details of composition and attendance by the Committee members are as follows:

Name of Audit Committee member	Chairman/ Member	Category	No. of meetings attended
Ashwin Lalbhai Shah	Chairman	I and N.E.D.	4
Rooshikumar V. Pandya	Member	I and N.E.D.	4
Dr. Rajesh B. Parikh	Member	I and N.E.D.	4
Amit D. Patel	Member	M.D.	3

The Company Secretary acts as a Secretary to the Committee.

The composition of the Audit Committee meets the stipulated minimum requirement of Independent Directors. The Audit Committee also invites at its meetings, senior executives including CFO and Company Secretary, President (F and A – plastics), General Manager (F and A - Textile), statutory auditors and internal auditors. The quorum for the meetings of Audit Committee is either two members or one third of the members of the Audit Committee whichever is higher with a minimum of two Independent Directors.

- Terms of reference

The constitution of the Audit Committee meets all the requirements of Section 292A of the Companies Act, 1956 as well as amended Clause 49 of the Listing Agreement. The Board of Directors approved the following terms of reference for the Audit Committee.

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

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

c) Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on:
   - Matters required being included in the Director's Responsibility Statement for inclusion into the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
   - Any changes in accounting policies and practices.
   - Major accounting entries based on exercise of judgment by management.
   - Qualifications in draft Audit Report.
   - Significant adjustments arising out of audit.
   - The going concern assumption.
   - Compliance with accounting standards.
   - Compliance with Stock Exchange and legal requirements concerning financial statements.
   - Any related party transactions i.e. material transactions of the Company, with promoters or the management, their subsidiaries or relatives that may have potential conflict with the interests of the Company at large.

d) Reviewing, with the management, the quarterly financial statement before submission to the Board for approval.

   Also reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue and preferential issue, among others), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

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

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

g) Reviewing with management, management discussion and analysis of financial condition and results of operation.

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

i) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

j) Discussions with external auditors before the audit commence, about the nature and scope of the audit as well as have post-audit discussions to ascertain any area of concern.

k) Reviewing the Company's financial and risk management policies.

l) To look into the reasons for substantial defaults in the payment to the depositors, debentures holders, shareholders (in case of nonpayment of declared dividends) and creditors.

5. Remuneration Committee

- Composition, meeting and attendance during the year

During the financial year ended on 31st March, 2010, the Remuneration Committee met on 9th May, 2009.

Name of Remuneration Committee member	Chairman/ Member	Category	No. of meetings attended
Ashwin Lalbhai Shah	Chairman	I & N.E.D.	1
Ramnikbhai H. Ambani	Member	I & N.E.D.	1
Rooshikumar V. Pandya	Member	I & N.E.D.	1

The Company Secretary acts as the Secretary to the Committee.

- Terms of reference

The Board of Directors of the Company constituted the Remuneration Committee on January 24, 2002. The broad terms of reference of Remuneration Committee are as follows

a) To determine and recommend to the Board the remuneration packages of the Chairman, the Vice-chairman and the Managing Directors.

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

c) To appraise the performance of the Managing Directors.

The remuneration policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis.

- Remuneration of Directors

i) The Company pays remuneration to its Chairman, Vice Chairman and Managing Directors by way of salary, perquisites and allowances (a fixed component) and commission (a variable component). Salary is paid within the range as per the Schedule XIII of the Companies Act 1956 as approved by the members. The Board on the recommendations of the Remuneration Committee approves the annual increments. The Board fixes a ceiling on perquisites and allowances as a percentage of salary. Within the prescribed ceiling, the perquisite package is recommended by the Remuneration Committee. Commission is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Remuneration Committee, subject to the overall ceiling as stipulated in Section 198 and 309 of the Companies Act, 1956.

Details of remuneration paid to the Chairman, the Vice Chairman and the Managing Directors are as given below:

(Amount in ₹)

Name of the Director	Designation	Salary	Perquisites	Commission	Total
Dinesh B. Patel	Chairman	26,40,000	26,53,080	1,00,00,000	1,52,93,080
Arun P. Patel	Vice Chairman	26,40,000	27,78,141	1,00,00,000	1,54,18,141
Rahul A. Patel	Managing Director	39,60,000	38,57,960	1,00,00,000	1,78,17,960
Amit D. Patel	Managing Director	39,60,000	39,11,862	1,00,00,000	1,78,71,862
S.B. Dangayach	Managing Director	32,34,000	35,10,480	50,00,000	1,17,44,480

ii) The Company granted 10,000 stock options on 30th November, 2007 to Mr. S. B. Dangayach who is the Executive Director of the Company.

The Chairman Mr. Dinesh Patel, Vice Chairman Mr. Arun Patel and Managing Directors Mr. Rahul Patel and Mr. Amit Patel being the promoters of the Company have not been granted any stock options in compliance with the SEBI Guidelines.

Non-Executive Directors are entitled to sitting fees for attending meetings of the Board and/or Committee thereof, the limits for which have been approved by the Remuneration Committee. The sitting fee is presently ₹ 10,000 for each meeting of the Board and/or Committee thereof. No other payments were made to Non-Executive Directors towards remuneration.

The detail of sitting fees paid to the Non-Executive

Directors during the financial year ended on 31st March, 2010 are .as follows:

Name of the Director	Sitting fees (₹)
Ramnikbhai H. Ambani	50,000
Ashwin Lalbhai Shah	1,30,000
Rooshikumar V. Pandya	90,000
Indira J. Parikh	20,000
Dr. Rajesh B. Parikh	80,000
Dr. Lavkumar Kantilal	40,000

- **Service contract, severance fee and notice period**
  The appointments of the Chairman, the Vice Chairman and the Managing Directors are governed by Articles of Association of the Company and the resolution passed by the Board of Directors and the shareholders of the Company.

  No separate service contract is entered into by the Company with the Chairman, the Vice Chairman and the Managing Directors, with those elevated to the Board from the management cadres, who already have a prior service contract with the Company.

  There is no separate provision for payment of severance fee under the resolutions governing the appointment of the Chairman, the Vice Chairman and the Managing Directors.

- Perquisites include house rent allowance; leave travel allowance, gas and electricity, medical and premium for personal accident insurance, contribution to provident fund, superannuation fund and gratuity.

- The appointment of the Chairman, the Vice Chairman and the Managing Directors is for a period of five years.

- Number of shares held by Non- Executive Directors

  All Non-Executive Directors disclosed their shareholding in the Company.

  Details of shareholding of Non-Executive Directors are as follows:

Director	Number of equity shares held on March 31, 2010
Ramnikbhai H. Ambani	Nil
Dr. Rajesh B. Parikh	Nil
Rooshikumar V. Pandya	Nil
Ashwin Lalbhai Shah	Nil
Dr. Lavkumar Kantilal	Nil
Indira J. Parikh	Nil

6. Shareholders'/Investors' Grievance Committee

The Company has a "Shareholders' / Investors' Grievance Committee" at the Board level to look into various issues relating to Shareholders' including non-receipt of dividend, Annual Report, shares after transfers and delays in transfer of shares. In addition, the Committee looks into other issues including status of system and procedures followed to track investor complaints and suggest measures for improvement from time to time.

- **Composition, meeting and attendance during the year**
  The Shareholders' / Investors' Grievance Committee met four times during the year on 9th May, 2009, 14th July, 2009, 12th October, 2009 and 13th January, 2010.

Name of Shareholders'/ Investors' Grievance Committee member	Chairman/ member	Category	No. of meetings attended
Ashwin Lalbhai Shah	Chairman	I & N.E.D.	4
Rahul A. Patel	Member	M.D.	4
Amit D. Patel	Member	M.D.	3

Details of shareholders' complaints received

During 2009-10, the Company received 19 complaints in the nature of non-receipt of share certificates, dividend warrants, Annual Reports and demat credit, among others, and there were no complaints outstanding as on 31st March, 2010. Normally all complaints are disposed within 30 days. As on 31st March, 2010 no shares transfer request were pending for a period of more than 30 days.

- **Investors' grievance redressal cell**
  The Company designated L.M. Rathod, CFO & Company Secretary as the compliance officer of the investors' grievance redressal cell. For the purpose of registering complaints by investors, the Company designated an
  e-mail ID – share@sintex.co.in

7. Share and Debentures Transfer Committee

The Company has Share and Debentures Transfer Committee since 8th August, 1981 at the Board level to look into various issues relating to shareholders/investors including transfer and transmission of shares. Moreover, the Committee looks into other issue including status of dematerialisation / rematerialisation of shares and debentures.

The Committee comprises two members, Dinesh B. Patel, the Chairman of the Committee and Arun P. Patel, the other member of the Committee. The quorum for a committee meeting is one member. L.M. Rathod, CFO & Company Secretary acts as the secretary of the Committee.

The Board of Directors delegated the power of approving transfer of shares/ debentures to the above Directors and the CFO and Company Secretary. The Board designated L. M. Rathod, CFO and Company Secretary, as the compliance officer, who is primarily responsible for coordinating with the Registrar & Transfer Agents of the Company in order to ensure the process of share transfer is streamlined.

The Committee meets twice a month to approve transfer of the shares and debentures. The Committee also approves the share certificates submitted for dematerialisation. 24 meetings were held during the year.

8. General body meetings

The details of last three Annual General Meetings are given as follows:

AGM	Financial year (ended)	Date	Time	Venue
76th	March 31, 2007	July 12, 2007	10.30 am	Registered office Near Seven Garnala, Kalol (N.G.) 382721
77th	March 31, 2008	September 15, 2008	10.30 am	Registered office Near Seven Garnala, Kalol (N.G.) 382721
78th	March 31, 2009	October 12, 2009	10.30 am	Registered office Near Seven Garnala, Kalol (N.G.) 382721

All the resolutions including special resolutions set out in the respective notices were passed unanimously by the shareholders. There were three special resolutions passed by the Company in the previous three Annual General Meetings.

Resolutions passed through postal ballot

During 2009-10, following three special resolutions were passed through postal ballot

- Change in the object clause of the Company by deleting Clause 3(31), deleting irrelevant clause 6 of the Memorandum of Association and also by inserting following renumbered clause no. 3(33) to (41) for allowing Company to diversify its business activities by venturing into infrastructure activities and also into products for cold chain, total solution provider to telecom industry, electrical accessories along with transmission and distribution application and in oil and gas, among others. Further it also renumbered the Clause 3(32) and 3(33) as 3(31) and 3(32) respectively and also amended the Clause 3(15) and 3(32) of the object clause of Memorandum of Association of the Company so as to make above clauses as more exhaustive and elaborated.
- Alteration in the Registered Office clause 2 of the Memorandum of Association of the Company so as to provide the name of the state "Gujarat", under Section 17 of the Companies Act, 1956 in place of "in the town Kalol in Kadi division of Baroda State".
- To adopt new set of Articles of Association of the Company

Board of Directors in its meeting held on January 13, 2010 appointed Mr. Mahesh C. Gupta of M/s. M.C. Gupta & Company, a Practicing Company Secretary, Ahmedabad as scrutinizer and he submitted the report on March 31, 2010. The result of the postal ballot was as under:

Details of voting pattern of the resolutions passed through Postal Ballot are as under

- Alteration and insertion in Object Clause of Memorandum of Association of the Company

Number of valid postal ballot forms received	1,235
Votes in favour of the resolution	5,93,23,079
Votes cast against the resolution	33,179
Number of invalid postal ballot forms received	4

- Alteration in the Registered Office clause of Memorandum of Association of the Company

Number of valid postal ballot forms received	1,235
Votes in favour of the resolution	5,93,19,727
Votes cast against the resolution	31,882
Number of invalid postal ballot forms received	4

- Adoption of new set of Articles of Association of the Company

Number of valid postal ballot forms received	1,235
Votes in favour of the resolution	5,84,17,108
Votes cast against the resolution	33,386
Number of invalid postal ballot forms received	4

The Chairman after receiving the scrutinizer's report announced that all the special resolution were duly passed with the requisite majority and directed that the resolutions be recorded in the minute book recording the proceedings of general meetings of the members.

9. Subsidiary monitoring framework

All the subsidiary companies of the Company are managed with their Boards having the rights and obligations to manage such companies in the best of their stakeholders and monitors the performance of such companies inter alia, by the following means-

- Financial statements, in particular the investments made by the unlisted subsidiary companies, are reviewed quarterly by the Audit Committee of the Company.
- All minutes of the meetings of subsidiary companies are placed before the Company's Board regularly.
- A statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies is placed before the Company's Board.

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

10. Disclosure

- **Disclosure on materially significant related party transactions:**

  The required statements/disclosures with respect to the related party transactions, are placed before the Audit Committee on a quarterly basis in terms of Clause 49(IV)(A) and other applicable laws for approval.

  The Company's major related party transactions are generally with its subsidiaries and associates. The related party transactions are entered into based on consideration of various business exigencies such as synergy in operations, sectoral specialization, liquidity and capital resource of subsidiary and associates.

  Further, for the financial year ended March 31, 2010 there were no material individual transactions with related parties or others, which were not an arms' length basis.

  The related party transactions have been disclosed under Note 17 of Schedule 20 forming part of the annual accounts.

- The Company has a comprehensive and integrated risk management framework to effectively deal with uncertainty and associated risks and enhance the organisation's capacity to build value. The risk management framework of the Company has been designed with an objective to develop a risk culture that encourages to identify risks and respond to them with appropriate actions.
- During the last three years, there were no strictures or penalties by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

11. Means of communication

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance.

Towards this end:

- The quarterly results of the Company are announced within a month of completion of the quarter. Audited annual result along with result for the fourth quarter is announced within a period of 45 days of completion of the financial year. These results are published, inter alia, in The Economics Times (Ahmedabad, Mumbai, New Delhi, Kolkata, Bangalore, Chennai, Hyderabad, Pune, Chandigarh and Lucknow), Financial Express (Gujarati) Ahmedabad, Financial Express (English) Ahmedabad and Financial Express (English) Mumbai.
- All quarterly results are also posted on our website – www.sintex.in
- All the results, including the entire report and accounts, information relating to shareholding pattern, compliance with corporate governance norms etc. were posted on SEBI's Electronic Data Information Filing And Retrieval system (EDIFAR) website – www.sebiedifar.nic.in
- Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirement of Clause 41 of the Listing Agreement.
- Corporate presentations made to institutional investors or to analysts are posted on the Company's website - www.sintex.in
- The management discussion and analysis report is attached with the Directors' Report in this Annual Report.

12. General shareholding information:

I Annual General Meeting

Date and Time	:	September 23, 2010 at 10:30 am
Venue	:	Sintex Industries Limited Registered Office, Kalol – 382 721 (N.G.), Dist. Gandhinagar, Gujarat, India.

II Financial calendar (tentative)

First quarter results	:	July, 2010 (2nd week)
Half-yearly results	:	October, 2010 (2nd week)
Third quarter results	:	January, 2011 (2nd week)
Annual results	:	May, 2011 (1st week)

III	Dates of book closure	:	September 14, 2010 to September 23, 2010 (both days inclusive)
IV	Dividend payment date	:	On or after September 28, 2010
V	Unclaimed dividend	:	The Company transferred unclaimed dividends which remained unclaimed up to the financial year ended March 31, 2002 to the Investors Education and Protection Fund (IEPF), established by the Central Government pursuant to Section 205C of the Companies Act. Dividends which remain unclaimed/unpaid for a period of seven years from the financial year ended March 31, 2003 will be transferred by the Company to the aforesaid fund, as and when it falls due. It may again be noted that once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

VI Listing details:

Stock Exchanges / Stock Code	Address	Telephone No.
Ahmedabad Stock Exchange Limited *Equity – 08910	Kamdhenu Complex, Panjra Pole Char Rasta, Post: Polytechnic, Ahmedabad – 380 015	079 - 2630 7971 / 2 / 3
Bombay Stock Exchange Limited *Equity – 502742	Floor 1, P.J. Towers, Dalal Street, Mumbai – 400 001	022 - 2272 1233 / 34
National Stock Exchange of India Limited *Equity – Sintex EQ	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051	022 - 2659 8100 / 6641 8100
Singapore Exchange Securities Trading Limited Foreign Currency Convertible Bonds (FCCB) *FCCB - XS0349182369	2 Shenton Way # 19 – 00 SGX Center 1 Singapore 068804	0065 - 6236 8888
Bombay Stock Exchange Limited Secured Redeemable Non- Convertible Debentures (NCD's) *NCDs – 946041	Floor 1, P.J. Towers, Dalal Street, Mumbai – 400 001	022 - 2272 1233 / 34

* Stock code of

VII Location of the depositories

Depository	Address	Telephone no.
National Securities Depository Limited	Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013	022 - 2499 4200 / 2497 6351
Central Depository Services (India) Limited	Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai – 400 001	022 - 2272 3333

VIII Listing fees for the year 20010-11 have been paid.

IX Stock data : Table 1 and 2, respectively give the monthly high and low prices and volumes of equity shares of Sintex Industries Limited at the Bombay Stock Exchange Limited and the National Stock Exchange Limited for the year ended March 31, 2010.

Table 1: Monthly share price data and volumes, BSE

Month	High (₹)	Low (₹)	Volume (Nos)	Month	High (₹)	Low (₹)	Volume (Nos)
April 2009	149.50	97.25	76,69,331	October 2009	270.90	204.00	29,67,069
May 2009	237.45	143.25	62,15,556	November 2009	261.70	203.55	58,28,926
June 2009	262.90	197.00	68,76,638	December 2009	282.00	235.50	28,80,501
July 2009	251.75	183.25	73,72,767	January 2010	296.90	241.00	58,82,523
August 2009	245.90	190.00	55,21,548	February 2010	269.30	233.40	17,91,138
September 2009	261.00	227.00	30,47,266	March 2010	298.10	240.10	64,41,134

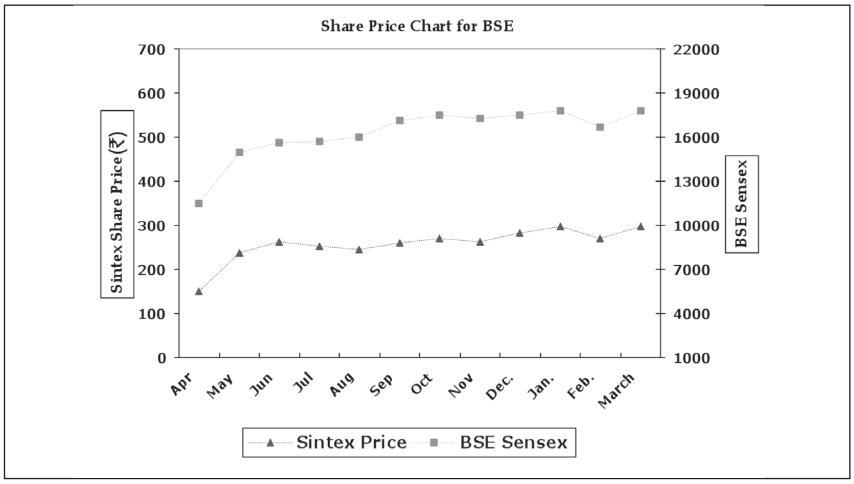
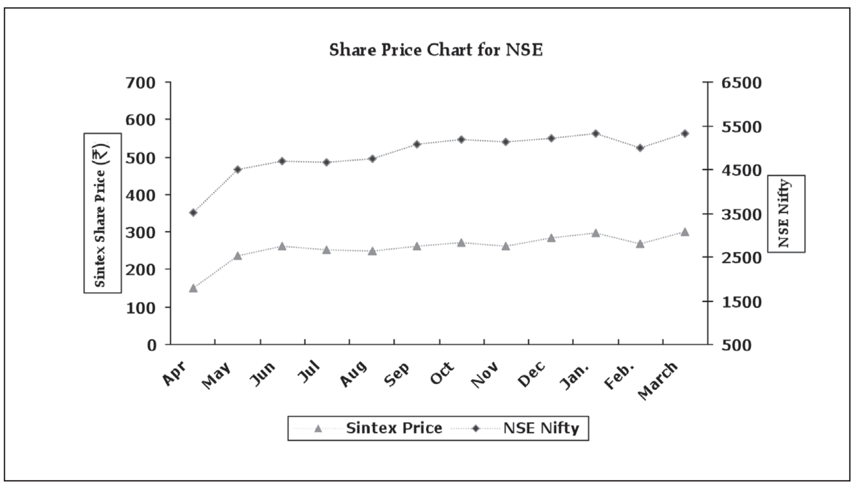


Table 2: Monthly share price data and volume, NSE

Month	High (₹)	Low (₹)	Volume (Nos)	Month	High (₹)	Low (₹)	Volume (Nos)
April 2009	149.70	96.80	1,78,05,414	October 2009	270.60	203.55	1,07,10,737
May 2009	237.80	142.80	1,74,34,518	November 2009	261.70	205.20	1,73,16,352
June 2009	263.00	197.00	1,64,10,002	December 2009	284.40	235.00	94,14,476
July 2009	251.70	183.25	1,76,89,889	January 2010	296.80	241.05	1,89,95,312
August 2009	248.00	191.00	1,29,07,465	February 2010	269.95	232.15	55,91,952
September 2009	261.70	201.55	70,83,684	March 2010	302.00	231.55	1,68,25,057



X Registrar or transfer agents

With effect from 26th March 2010, the Company changed its Share Registrar and Transfer Agents from M/s Pinnacle Share Registry Pvt. Ltd. and appointed in its place Sharepro Services (India) Pvt. Ltd as new Share Registrar and Transfer Agent. The details of the new Registrar and Transfer Agent are as under:

Sharepro Services (India) Pvt. Ltd
13AB, Samhita Warehousing Complex,
2nd Floor,Sakinaka Telephone,
Exchange Lane, Andheri East,
Mumbai- 400 072
Phone: (O) 91-22-67720300, 91-22-67720400
Fax: 91 -22-28591568.
E- mail: sharepro@shareproservices.com

XI	Share transfer system	Share transfer requests received in physical form are registered within 15 days from the date of receipt and Demat requests are normally confirmed within an average of 15 days from the date of receipt.

XII Secretarial audit

i) Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, were issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company.

ii) A qualified practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL).

iii) Pursuant to SEBI (Depositories and Participants) Regulations 1996, certificates were also received from a Company Secretary in Practice for dematerialisation of the shares of the Company and for conducting a secretarial audit on a quarterly basis for reconciliation of the share capital of the Company.

XIII Distribution of shareholding as on March 31, 2010:

Category of number of equity shares held	No. of equity Shares held	% of Shares held	No. of Shareholders	% of Share holders
Up to 2500	60,51,600	4.43	36,600	98.36
2501 – 5000	8,56,842	0.63	239	0.64
5001 – 10000	8,67,727	0.63	117	0.32
10001 – 15000	5,01,430	0.37	39	0.10
15001 – 20000	3,92,178	0.29	22	0.06
20001 – 25000	3,49,332	0.26	15	0.04
25001 – 50000	11,97,025	0.88	33	0.09
50001 and Above	12,62,79,299	92.51	145	0.39
Total	**13,64,95,433**	**100.00**	**37,210**	**100.00**

XIV Categories of shareholders as on March 31, 2010:

Category	No. of Shares held	% of Shares held	No. of Shareholders	% of Shareholders
Promoters holding	4,12,15,195	30.20	28	0.08
Residential individuals	1,01,57,947	7.44	35,668	95.86
Financial institutions/banks	7,275	–	9	0.02
Mutual funds	2,46,89,577	18.09	78	0.21
NRIs / OCBs	3,63,061	0.26	640	1.72
Insurance companies	38,42,829	2.82	5	0.01
FIIs	3,52,98,223	25.86	71	0.19
Domestic companies	2,09,21,326	15.33	711	1.91
Total	**13,64,95,433**	**100.00**	**37,210**	**100.00**

XV	Dematerialisation of shares and liquidity :	About 98% of the outstanding shares were dematerialised as on 31st March, 2010. Trading in Sintex Industries Limited shares is permitted only in dematerialised form as per notification issued by the Securities and Exchange Board of India. The equity shares of Sintex Industries Limited are actively traded shares on Bombay Stock Exchange Limited, National Stock Exchange of India Limited, and Ahmedabad Stock Exchange Limited.
XVI	Issue of non-convertible: currency convertible bonds	In respect of USD 225 million Zero Coupon Foreign Currency Convertible Bonds (FCCBs) raised by the Company on 12th March, 2008, pursuant to the terms and conditions of the Bonds, the conversion price was reset on March 12, 2010 from ₹ 580 per equity share to ₹ 493 per equity share. Due to conversion price reset, on full conversion of FCCBs, the Company has to issue 1,84,97,464 equity shares of ₹ 2 each instead of 1,57,22,844 equity shares of ₹ 2 each as per original conversion price. During 2009-10 no FCCBs have been converted into equity shares.
XVII	Plant locations	The Company's plastic plants are located at Kalol (N.G.), Bangalore, Kolkatta, Daman, Baddi, Bhachau (Kutch), Nagpur, Salem and Nalagarh while its textile plant is located at Kalol (N.G.).
XVIII	Investors correspondence	For any assistance regarding dematerialisation of shares, shares transfers, transmissions, change of address, non-receipt of dividend and any other query relating to the shares of the Company, please write to: Sharepro Services (India) Pvt. Ltd Unit: Sintex Industries Limited 13AB, Samhita Warehousing Complex, 2nd Floor,Sakinaka Telephone, Exchange Lane, Andheri East, Mumbai- 400 072 Phone: 91-22-67720300, 91-22-67720400 Fax: 91 -22-28591568. E- mail: sharepro@shareproservices.com Shareholders holding shares in electronic mode should address all their correspondence to their respective depository participants.

Declaration

It is hereby declared that the Company obtained affirmation from all the members of the Board and senior management that they have complied with the "Code of Conduct" for Board Members and senior management of Sintex Industries Limited for the year ended on March 31, 2010.

Place: Ahmedabad
Date : April 30, 2010

Amit D. Patel
Managing Director

Auditors' Certificate on Corporate Governance

To the Members of
Sintex Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Sintex Industries Limited for the year ended on 31st March 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117365W)

Place: Ahmedabad
Date : April 30, 2010

Gaurav J. Shah
Partner
Membership No. 35701

Auditors' Report

To the Members of
Sintex Industries Limited

1. We have audited the attached Balance Sheet of SINTEX INDUSTRIES LIMITED ("the Company") as at 31st March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. Without qualifying our opinion, we draw attention to Note 4 of Schedule 20 to these financial statements, regarding the Scheme of Arrangement (the "Scheme") approved by the Honourable High Court of Gujarat, as per which Scheme, in the year 2008-09 the Company earmarked ₹ 200 crore from Securities Premium Reserve to International Business Development Reserve Account (the "IBDR") and has adjusted against the earmarked balance of IBDR, ₹ 141.46 crore upto 31st March, 2010 (including ₹ 10.53 crores during the year) being expenses of the nature as specified under the Scheme. The said accounting treatment has been followed as prescribed under the Scheme. The relevant Indian Generally Accepted Accounting Principles, in absence of such Scheme, would not permit the adjustment of expenses against the Securities Premium Reserve / IBDR. Had the Company accounted for these expenses as per Generally Accepted Accounting Principles in India, instead of accounting for as per the Scheme, the balance of Securities Premium Reserve / IBDR would have been higher by ₹ 141.46 crore as at 31st March, 2010 and Profit after tax would have been lower by ₹ 10.53 crore for the year ended on 31st March, 2010.

4. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

5. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:

   a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

   d) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   e) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) in the case of the Balance Sheet, of the state of the affairs of the Company as at March 31, 2010;

      ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

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

6. On the basis of the written representations received from the Directors as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117365W)

Gaurav J. Shah
Partner
Membership No. 35701

Ahmedabad
Date: April 30, 2010

Annexure to the Auditors' Report

(Referred to in paragraph 4 of our report of even date)

i. Having regard to the nature of the Company's business/activities/result, clauses (x), (xiii) and (xiv) of CARO are not applicable.

ii. In respect of its fixed assets:

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

b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

iii) In respect of its inventory:

a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iv) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.

v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

vi) According to information and explanation given to us, there were no contracts or arrangement referred to in Section 301 of Companies Act, 1956 which were required to be entered in the register maintained under that section.

vii) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 58A & 58AA or any other relevant provisions of the Companies Act, 1956.

viii) In our opinion, the internal audit functions carried out during the year by firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.

ix) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of textile division and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.

x) According to the information and explanations given to us in respect of statutory dues:

a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable.

c) According to the information and explanations given to us, there are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March, 2010 on account of disputes.

xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks, financial institutions and debenture holders.

xii) According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.

xiv) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

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

xvi) The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

xvii) According to the information and explanation given to us, during the period covered by our audit report, the Company has not issued debentures. The Company has created security in respect of the debentures already issued.

xviii) The Management has disclosed the end use of money raised by FCCB issue and QIP issue and we have verified the same.

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

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration No. 117365W)

Gaurav J. Shah
Partner
Membership No. 35701

Ahmedabad
Date: April 30, 2010

Balance Sheet As at March 31, 2010

(₹ in crore)

As at	Schedules		31.03.2010	31.03.2009
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	27.10		27.10
Reserves & Surplus	2	1855.02		1600.63
			1882.12	1627.73
Loan Funds				
Secured Loans	3	1058.72		791.99
Unsecured Loans	4	1115.65		1146.37
			2174.37	1938.36
Deferred Tax Liability (Net)			152.15	130.69
(Refer Note 15-Schedule 20)				
Total			**4208.64**	**3696.78**
APPLICATION OF FUNDS				
Fixed Assets	5			
Gross Block		1773.64		1575.11
Less: Depreciation		437.05		353.82
Net Block		1336.59		1221.29
Capital Work in Progress		136.75		197.38
			1473.34	1418.67
Investments	6		807.94	637.89
Current Assets, Loans & Advances				
Inventories	7	168.70		181.15
Sundry Debtors	8	677.06		495.80
Cash & Bank Balances	9	815.04		1099.47
Loans & Advances	10	789.26		444.73
			2450.06	2221.15
Less: Current Liabilities & Provisions	11		522.70	581.10
Net Current Assets			1927.36	1640.05
Miscellaneous Expenditure				
(To the extent not written off or adjusted)	12		–	0.17
Total			**4208.64**	**3696.78**
Significant Accounting Policies	19			
Notes on Accounts	20			

As per our attached
report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Ahmedabad
Date : April 30, 2010

Dinesh B. Patel *Chairman*
Arun P. Patel Vice *Chairman*
Rahul A. Patel *Managing Director*
Amit D. Patel *Managing Director*
S. B. Dangayach *Managing Director*

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

L. M. Rathod
Company Secretary

Ahmedabad
Date : April 30, 2010

Profit and Loss Account For the year ended March 31, 2010

(₹ in crore)

For the year ended	Schedules		31.03.2010	31.03.2009
INCOME				
Gross Sales		2103.56		1982.04
Less: Excise duty and Sales Tax		93.01		98.63
Net Sales		2010.55		1883.41
Other Income	13	96.91		94.73
Increase/(Decrease) in Finished and Process Stocks	14	(13.97)		19.92
			2093.49	1998.06
EXPENDITURE				
Raw Materials Consumed	15	1272.89		1159.22
Employees' Emoluments	16	85.24		77.52
Manufacturing and Other Expenses	17	258.53		293.29
Interest and Finance Charges	18	51.32		63.97
Depreciation and Amortisation		84.03		62.40
			1752.01	1656.40
Profit before Tax			341.48	341.66
Provision for Taxation				
Current Tax		58.05		39.62
MAT Credit		(18.54)		–
Deferred Tax		21.46		31.24
Fringe Benefit Tax		–		1.70
			60.97	72.56
			280.51	269.10
Excess/(Short) provision for taxation in earlier years (Net)			(6.81)	(2.39)
Profit after Tax			273.70	266.71
Balance brought forward from previous year			674.17	456.16
Profit available for Appropriations			947.87	722.87
APPROPRIATIONS				
Proposed Dividend - Equity Shares			16.38	15.02
Tax on Dividend			2.67	2.51
General Reserve			30.00	30.00
Debenture Redemption Reserve			10.22	1.17
Balance carried to Balance Sheet			888.60	674.17
Total			947.87	722.87
Earnings per share (Refer Note 16 of Schedule 20)				
Basic (in ₹)			20.20	19.68
Diluted (in ₹)			20.20	19.68
Significant Accounting Policies	19			
Notes on Accounts	20			

As per our attached
report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Ahmedabad
Date : April 30, 2010

Dinesh B. Patel *Chairman*
Arun P. Patel Vice *Chairman*
Rahul A. Patel *Managing Director*
Amit D. Patel *Managing Director*
S. B. Dangayach *Managing Director*

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

L. M. Rathod
Company Secretary

Ahmedabad
Date : April 30, 2010

Cash Flow Statement For the year ended March 31, 2010

(₹ in crore)

For the year ended	31.03.2010		31.03.2009	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		341.48		341.66
Adjustments for :				
Profit on sale of fixed assets & Investments	(8.67)		(19.63)	
Unrealised Foreign Exchange (Gain)/Loss (Net)	(49.64)		51.96	
Interest Income	(33.00)		(65.70)	
Dividend Income	(0.22)		(2.02)	
Depreciation	84.03		62.40	
Interest and Financial Charges	51.32		63.97	
Provision for Doubtful debts and advances	–		0.25	
Employees Compensation Expenses	10.27		9.27	
Expenses relating to FCCBs / Debenture Issue	-		(11.64)	
Miscellaneous expenditure written off	0.17		0.98	
		54.26		89.84
Operating profit before working capital changes		395.74		431.50
Adjustments for :				
Trade & other receivables	(563.54)		(156.06)	
Inventories	12.45		(18.38)	
Trade payables	(58.92)		26.44	
		(610.01)		(148.00)
Cash generated from/(used in) operations		(214.27)		283.50
Direct taxes paid (Net)		(66.64)		(63.19)
Net cash generated from/(used in) Operating Activities - (A)		(280.91)		220.31
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(94.25)		(434.62)	
Sale of fixed assets	1.06		1.12	
Investment in Subsidiary and others including share application money	(71.88)		(420.74)	
Loans given (to)/received from subsidiaries	32.99		26.23	
Expenses adjusted in IBDR (Refer Note 4 of Schedule 20)	(10.53)		(130.73)	
Interest received	29.63		65.70	
Dividend received	0.22		2.02	
Net cash (used in) Investing Activities - (B)		(112.76)		(891.02)

Cash Flow Statement (Contd..)

(₹ in crore)

For the year ended	31.03.2010		31.03.2009	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Term Borrowings	339.10		354.91	
Unsecured Loan from Bank	100.00		–	
Interest paid	(95.37)		(78.26)	
Repayment of borrowings	(72.36)		(201.01)	
Dividend paid	(17.51)		(15.94)	
Net cash from Financing Activities - (C)		**253.86**		**59.70**
Net Changes In Cash and Cash Equivalents (A+B+C)		**(139.81)**		**(611.01)**
Add: Cash and Cash Equivalents-Opening Balance		1046.50		1657.51
Cash and Cash Equivalents-Closing Balance		**906.69**		**1046.50**

Notes:

As at	31.03.2010		31.03.2009	
1 Cash and Cash equivalents include:				
Cash on hand		0.52		0.16
With Scheduled Banks:				
In Current Accounts	71.73		60.99	
In Fixed Deposit [Including ₹ 47.91 crore (previous year ₹ 157.44 crore) under lien to Bank]	737.68		1028.32	
		809.41		1089.31
With Non Scheduled Banks:				
In Current Accounts		5.11		10.00
Short Term Investments		207.72		144.51
Cash and Cash equivalents		1022.76		1243.98
Effect of Foreign exchange rate changes		(116.07)		(197.48)
Cash and Cash equivalents as restated		**906.69**		**1046.50**

2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

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

As per our attached report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Ahmedabad
Date : April 30, 2010

Dinesh B. Patel *Chairman*
Arun P. Patel Vice *Chairman*
Rahul A. Patel *Managing Director*
Amit D. Patel *Managing Director*
S. B. Dangayach *Managing Director*

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Dr. Rajesh B. Parikh *Director*
Dr. Lavkumar Kantilal *Director*
Rooshikumar V. Pandya *Director*
Indira J. Parikh *Director*

L. M. Rathod
Company Secretary

Ahmedabad
Date : April 30, 2010

Schedules forming part of the Balance Sheet

(₹ in crore)

As at	31.03.2010	31.03.2009
Schedule - 1 SHARE CAPITAL		
Authorised		
25,00,00,000 (previous year 25,00,00,000) Equity Shares of ₹ 2/- each	50.00	50.00
15,00,000 (previous year 15,00,000) Preference Shares of ₹ 100/- each	15.00	15.00
Total	65.00	65.00
Issued		
13,65,11,333 (previous year 13,65,11,333) Equity Shares of ₹ 2/- each	27.30	27.30
Total	27.30	27.30
Subscribed & Paid Up		
13,64,95,433 (previous year 13,64,95,433) Equity Shares of ₹ 2/- each	27.30	27.30
Less: Amount recoverable from ESOP Trust (face value of Equity Shares allotted to the Trust)	0.20	0.20
Total	27.10	27.10

Notes:

Of the above equity shares:

i) 1,25,000 equity shares were issued as fully paid-up pursuant to contract without payment being received in cash.

ii) 74,55,650 equity shares were allotted as fully paid-up Bonus Shares by capitalising General Reserve, Securities Premium Reserve and Capital Reserve.

		31.03.2010	31.03.2009
Schedule - 2 RESERVES AND SURPLUS			
Capital Reserve			
Balance as per last Balance Sheet	47.80		–
Add : Forfeiture of upfront amount of Convertible Share Warrants	–		47.80
		47.80	47.80
Securities Premium Reserve			
Balance as per last Balance Sheet*	673.48		885.12
Less: Expenses relating to FCCBs/Debenture issue	–		11.64
Less: Transferred to International Business Development Reserve (“IBDR”) Account	–		200.00
		673.48	673.48
* Includes ₹ 36.01 crore recoverable from ESOP Trust			
(Premium on equity shares allotted to the Trust)			
Capital Redemption Reserve			
Balance as per last Balance Sheet		15.05	15.05
Debenture Redemption Reserve			
Balance as per last Balance Sheet	1.74		1.32
Add: Transferred from Profit and Loss Account	10.22		1.17
Less :Transferred to General Reserve	0.56		0.75
		11.40	1.74
International Business Development Reserve ("IBDR") Account			
(Refer Note 4 of Schedule 20)			
Balance as per last Balance Sheet	69.27		–
Add: Transferred from Securities Premium Reserve	–		200.00
Less : Adjusted against investment in a subsidiary	10.53		130.73
		58.74	69.27
General Reserve			
Balance as per last Balance Sheet	107.12		76.37
Add : Transferred from Debenture Redemption Reserve	0.56		0.75
Add: Transferred from the Profit and Loss Account	30.00		30.00
		137.68	107.12
Employees Stock Option Outstanding			
Balance as per last Balance Sheet	12.00		2.73
Add: Amortisation during the year for Employee Compensation Expenses	10.27		9.27
		22.27	12.00
Balance of the Profit and Loss Account		888.60	674.17
Total		1855.02	1600.63

Schedules forming part of the Balance Sheet

(₹ in crore)

As at	Note	31.03.2010	31.03.2009
Schedule - 3 SECURED LOANS			
A. Debentures	1 & 2	250.00	252.25
B. From Banks:			
a) Cash Credit Accounts	3		
In ₹		392.59	53.51
b) Term Loans	4		
In ₹		409.70	466.81
C. From Financial Institutions			
Term Loans	4		
a) In ₹		6.43	12.86
b) In Foreign Currency		–	6.56
Total		**1058.72**	**791.99**

Notes:

1 2500 (previous year 2500) - 11.5% Secured Redeemable Non Convertible Debentures of ₹ 10,00,000/- each, issued to Life Insurance Corporation of India are redeemable at par in three equal annual installments starting from 18th February, 2016. The Debentures are secured by first mortgage charge on all the movable & immovable assets, both present & future, of the Company on rank pari passu basis.

2 Nil (previous year 225) - 11.5% Secured Redeemable Non Convertible Debentures of ₹ 1,00,000/- each, issued to Infrastructure Leasing and Financial Services Limited (subsequently transferred to IL&FS Financial Services Limited) are redeemable at par in twenty four quarterly installments starting from 1st April, 2004. During the year, the Company has redeemed 225 (previous year 300) Debentures aggregating to ₹ 2.25 crore (previous year ₹ 3.00 crore). The Debentures are secured by first mortgage charge over the fixed assets of the Company on pari passu basis.

3 Secured by first charge on the stocks and book debts and by a second charge over the immovable and other movable properties of the Company, both present and future.

4 Secured by equitable mortgage charge /hypothecation on all the immovable/movable properties of the Company, both present and future, except on specified current assets and book debts on which prior charge created in favour of the Banks for working capital facilities.

5 Out of above loans, amount payable within 12 months is ₹ 94.60 crore (previous year ₹ 71.97 crore).

Schedule - 4 UNSECURED LOANS		
Zero Coupon Foreign Currency Convertible Bonds	1015.65	1146.37
From Banks	100.00	–
Total	**1115.65**	**1146.37**

Note: Out of above loans, amount payable within 12 months is ₹ 100.00 crore (previous year ₹ Nil).

Schedule - 5 FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 01.04.2009	Additions	On Sales / Adjustments	As at 31.03.2010	Upto 01.04.2009	For the year	On Sales / Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
1	2	3	4	5	6	7	8	9	10	11
Tangible Assets										
Land	24.51	0.52	0.39	24.64	–	–	–	–	24.64	24.51
Building	103.38	35.29	–	138.67	16.46	3.79	–	20.25	118.42	86.92
Plant & Machinery	1412.70	159.30	0.15	1571.85	318.73	76.31	0.14	394.90	1176.95	1093.97
Furniture, Fixture & Office equipments	13.85	0.53	–	14.38	7.31	1.09	–	8.40	5.98	6.54
Vehicles	13.16	3.90	0.88	16.18	8.15	1.73	0.66	9.22	6.96	5.01
Total Tangible Assets	**1567.60**	**199.54**	**1.42**	**1765.72**	**350.65**	**82.92**	**0.80**	**432.77**	**1332.95**	**1216.95**
Intangible Assets (Other than internally generated)										
Technical know how	3.19	–	–	3.19	2.31	0.19	–	2.50	0.69	0.88
Computer Software	4.32	0.41	–	4.73	0.86	0.92	–	1.78	2.95	3.46
Total Intangible Assets	**7.51**	**0.41**	**–**	**7.92**	**3.17**	**1.11**	**–**	**4.28**	**3.64**	**4.34**
Total Fixed Assets	**1575.11**	**199.95**	**1.42**	**1773.64**	**353.82**	**84.03**	**0.80**	**437.05**	**1336.59**	**1221.29**
Previous Year	1079.02	500.44	4.35	1575.11	295.06	62.40	3.64	353.82	1221.29	
Capital work in progress									136.75	197.38

Note: 1) Cost of land includes ₹ 0.07 crore for land held in a co-operative society at Daman. The Company holds 3 Shares of aggregate face value of ₹ 3000/- in the co-operative society as per the bye-laws of the society.

2) Additions to Fixed Assets and Capital work in progress include capitalisation of borrowing costs pertaining to qualifying assets of ₹ 47.13 crore (previous year ₹ 20.51 crore) and ₹ 32.06 crore (previous year ₹ 25.88 crore) respectively.

Schedules forming part of the Balance Sheet

(₹ in crore)

	Face Value ₹	As at 31.03.2010 Nos./Units	As at 31.03.2010 Amount	As at 31.03.2009 Nos./Units	As at 31.03.2009 Amount
Schedule - 6 INVESTMENTS (AT COST)					
i) Long Term Investments					
Non- Trade, Quoted					
In Equity Shares (Fully paid up)					
Dena Bank	10	30200	0.09	30200	0.09
In Equity Shares (Fully paid up)					
Trade, Unquoted					
In subsidiary companies					
Zeppelin Mobile Systems India Ltd.	10	1298600	111.00	443940	18.00
Sintex Holdings B.V. Netherland	EURO 1	71029893	374.88	71029793	494.33
Less : Adjusted against IBDR (Refer Note 4 of Schedule 20)			10.53		130.73
			364.35		**363.60**
Sintex Infra Projects Limited	10	50000	0.05	–	–
Sintex Oil & Gas Private Limited	10	10000	0.01	–	–
Bright AutoPlast Pvt. Ltd.	10	5010000	50.03	5000000	50.00
In others					
Sintex International Ltd.	10	900000	3.00	900000	3.00
BVM Finance Pvt. Ltd.	10	1738000	8.69	1738000	8.69
In Preference Shares (Fully paid up)					
Trade, Unquoted					
In Subsidiary Company					
Bright AutoPlast Pvt. Ltd.	100	5000000	50.00	5000000	50.00
In Debentures					
Non - Trade, Unquoted					
Prakausali Investments (I) P. Ltd. - 12.75%	1000000	80	8.00	–	–
Churu Trading Co. P. Ltd. - 11.25%	5000000	10	5.00	–	–
ii) Current Investments					
Non- Trade, Unquoted					
Mutual funds					
Birla Sunlife Dynamic Bond Fund-Retail-Growth	10	17721089	26.54	–	–
Birla Sunlife Short Term Fund-Retail-Growth	10	161725	0.25	–	–
Templeton India Short Term Income Plan Institutional Growth	1000	211876	30.00	–	–
Templeton Floating Rate Income Fund Long Term Plan Institutional Option-Growth	10	21866706	30.00	–	–
LIC Income Plus Fund-Growth Plan	10	8374578	10.00	–	–
LIC Saving Plus Fund-Growth Plan	10	7062745	10.00	–	–
Reliance Regular Saving Fund	10	4147588	5.00	–	–
IDFC Money Manager Fund Investment Inst. Plan B-Growth	10	14122150	20.00	–	–
Religare Credit Opportunities fund-Institutional Growth	10	29384694	30.00	–	–
DSP ML Fund Mngr.Ltd. PMS-CPP	1000000	150	15.00	–	–
IDFC Money Manager Fund - Treasury Plan A - Growth	10	206603	0.30	–	–
IDFC Imprerial Equity Fund-Plan A Growth	10	5450	0.01	–	–
HDFC Cash Management Fund-Treasury Advantage Plan-Retail-Growth	10	275055	0.55	–	–
HDFC Top 200 Fund Growth	100	1794	0.03	–	–
HDFC Core and Satellite Fund-Growth	10	1540	0.01	–	–
HDFC Equity Fund Growth	100	235	0.01	–	–
IDFC Imprerial Equity Fund-Plan A Growth	10	13088	0.02	–	–
Reliance Short term fund-Retail plan Growth Plan	10	5798950	10.00	–	–
Fortis short term Income fund-inst. Growth	10	9584328	10.00	–	–
Kotak Bond (Short Term)-Growth	10	5694955	10.00	–	–
Birla Sunlife Short Term Fund Growth	10	–	–	6183427	6.26
Birla Sunlife Short Term Fund-Retail-Growth	10	–	–	605784	0.94
DWS Fixed Term Fund Series 49 Regular Growth	10	–	–	20327837	20.33
ICICI Prudential Flexible Income Growth	10	–	–	18553739	30.05

Schedules forming part of the Balance Sheet

(₹ in crore)

	Face Value ₹	As at 31.03.2010 Nos./Units	Amount	As at 31.03.2009 Nos./Units	Amount
Schedule - 6 INVESTMENTS (AT COST) *(Contd..)*					
Kotak Flexi Debt Scheme Institutional Growth	10	–	–	15717269	16.71
Reliance Medium Term Fund Growth	10	–	–	5613982	10.14
SBI SHF Ultra Short Term Fund Institutional Plan	10	–	–	8730117	10.00
UTI Treasury Advantage Fund-Institutional Plan	1100	–	–	171715	20.08
DSP Black Rock Fund Managers Limited- PMS	1000000	–	–	300	30.00
Total			807.94		637.89
Quoted Investments	Cost		0.09		0.09
	Market Value		0.23		0.10
Unquoted Investments	Cost		600.13		493.29
Mutual funds	Cost		207.72		144.51
	Repurchase Value		212.98		146.92

Investments purchased and sold/ redeemed during the year other than shown above:

	Face Value ₹	Cost of acquisition Nos./Units	Amount	Cost of Sale / Redemption Nos./Units	Amount
Mutual funds					
Kotak Flexi Debt Scheme Institutional - (G)	10	22270128	25.00	22270128	25.15
IDFC Money Manager Fund Treasury Plan Super Institute Plan C - (G)	10	28405166	30.00	28405166	30.11
Templeton Floating Rate Income Fund Long Term Plan Institutional (G)	10	7407517	10.00	7407517	10.23
Fortis Money Plus Institutional (G)	10	14880082	20.00	14880082	20.30
Reliance Money Manager Fund Institutional (G)	1000	365615	45.00	365615	45.22
LIC Saving Plus Fund (G)	10	7063793	10.00	7063793	10.10
Birla Sunlife Saving Fund Institutional (G)	10	26239794	45.00	26239794	45.32
HDFC Cash Management Fund Treasury Plan	10	7666909	15.00	7666909	15.11
Fidelity Ultra Short Term Debt Fund	10	12947330	15.00	12947330	15.07
ICICI Prudential Ultra Short Term Plan Premium Plus (G)	10	9828686	10.00	9828686	10.07
JP Morgan India Treasury Fund Super Institute (G)	10	8437893	10.00	8437893	10.02

As at	31.03.2010	31.03.2009
Schedule - 7 INVENTORIES		
Stores and Spares	10.47	14.07
Raw Materials	31.25	26.13
Finished Goods	41.98	47.57
Process Stock	85.00	93.38
Total	168.70	181.15

Schedule - 8 SUNDRY DEBTORS (Unsecured)			
Considered good			
Due for a period exceeding six months		86.29	62.98
Others		590.77	432.82
Considered Doubtful (Due for a period exceeding six months)	0.64		0.64
Less : Provision for Doubtful Debts	0.64		0.64
		–	–
Total		677.06	495.80

Schedules forming part of the Balance Sheet

(₹ in crore)

As at		31.03.2010	31.03.2009
Schedule - 9 CASH AND BANK BALANCES			
Cash on hand (including cheques on hand ₹ 0.03 crore (previous year Nil)		0.52	0.16
With Scheduled Banks			
In Current Accounts (including ₹ 0.31 crore in unclaimed dividend accounts) (previous year ₹ 0.31 crore)	71.73		60.99
In Fixed Deposits [Out of above including ₹ 745.08 crore (previous year ₹ 831.85 crore) unutilised amount of FCCB issue]	737.68		1028.32
(Out of above, fixed deposits of ₹ 47.91 crore (previous year ₹ 157.44 crore) under lien to banks)			
		809.41	1089.31
With Non- Scheduled Banks			
In Current Account with The Associated Co-op. Bank Ltd.		5.11	10.00
(Maximum balance during the year ₹ 10.01 crore previous year ₹ 10.00 crore)			
Total		**815.04**	**1099.47**

Schedule - 10 LOANS & ADVANCES			
(Unsecured, considered good except stated otherwise)			
Advances recoverable in cash or in kind or for value to be received		665.87	264.83
Loans to Subsidiaries/Step down Subsidiaries		87.13	120.12
Loan to Employee Welfare Trust		4.09	4.09
Share application money pending allotment		0.04	35.00
Advance Payment of Tax and Tax Deducted at Source (Net of Provision)		31.77	19.81
Balance with Central Excise Department		0.36	0.88
		789.26	444.73
Considered Doubtful	–		0.09
Less : Provision for doubtful loans and Advances	–		0.09
		–	–
Total		**789.26**	**444.73**

Schedule - 11 CURRENT LIABILITIES & PROVISIONS			
A. Current Liabilities			
Acceptances	37.82		51.76
Sundry Creditors			
- Due to Micro and Small Enterprises (Refer Note 13 of Schedule 20)	1.52		0.35
- Others	183.06		230.28
Investor Education and Protection Fund			
- Unclaimed Dividend	0.32		0.31
- Unclaimed Debenture Installment & Interest	–		0.18
(These do not include any amounts due and outstanding to be credited to "Investors Education and Protection Fund")			
Interest accrued but not due	5.91		6.91
		228.63	289.79
B. Provisions			
Provision for Leave Salary	5.86		5.23
Provision for Gratuity	5.99		5.38
Premium payable on redemption of outstanding FCCBs	263.17		263.17
Proposed Dividend	16.38		15.02
Tax on Dividend	2.67		2.51
		294.07	291.31
Total		**522.70**	**581.10**

Schedule - 12 MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Share Issue Expenses	0.17	1.15
Less : Amount amortised	0.17	0.98
Total	–	**0.17**

Schedules forming part of the Profit and Loss Accounts

(₹ in crore)

For the year ended	31.03.2010	31.03.2009
Schedule - 13 OTHER INCOME		
Interest (Gross)* [include interest from non trade investment ₹ 0.41 crore (previous year Nil)]	33.00	65.70
Dividend [include Dividend received from subsidiary ₹ 0.22 crore (previous year ₹ 0.22 crore)]	0.22	2.02
Profit on sale of Fixed Assets (Net)	0.44	0.41
Profit on sale of Non Trade Investments (Net)	8.23	19.22
Excess Provision for Expenses in earlier years written back	0.05	0.15
Foreign Exchange Gain	49.30	–
Miscellaneous Income	5.67	7.23
Total	**96.91**	**94.73**
*Note: Tax deducted at source from Interest ₹ 3.37 crore (previous year ₹ 6.22 crore)		

Schedule - 14 INCREASE/(DECREASE) IN STOCK OF FINISHED AND PROCESS STOCK			
Closing Stock			
Finished goods	41.98		47.57
Process stock	85.00		93.38
		126.98	140.95
Less: Opening Stock			
Finished goods	47.57		48.75
Process stock	93.38		72.28
		140.95	121.03
Total		(13.97)	19.92

For the year ended	2009-10		2008-09	
	Quantity	Amount	Quantity	Amount
Schedule - 15 RAW MATERIALS CONSUMED	(Kgs. in crore)		(Kgs. in crore)	
Cotton,Yarn and other Fibres	0.54	64.92	0.52	59.35
Plastic Resins, Granules & Powder, etc.	4.89	461.03	4.56	515.93
Bought-out goods consumed	-	746.94	-	583.94
Total		1272.89		1159.22

Note:

Value and Percentage of Raw Materials Consumed	Amount	Percentage	Amount	Percentage
Imported	69.99	5.50	19.97	1.72
Indigenous	1202.90	94.50	1139.25	98.28
Total	**1272.89**	**100.00**	**1159.22**	**100.00**

	31.03.2010	31.03.2009
Schedule - 16 EMPLOYEES' EMOLUMENTS		
Payments to and Provisions for Employees :		
Salaries, Wages, Bonus and Other Payments	64.64	57.20
Contribution to Provident, Superannuation and Gratuity Funds	6.56	6.82
Welfare Expenses	3.77	4.23
Employees Compensation Expenses	10.27	9.27
Total	**85.24**	**77.52**

Schedules forming part of the Profit and Loss Accounts

(₹ in crore)

For the year ended		31.03.2010	31.03.2009
Schedule - 17 MANUFACTURING & OTHER EXPENSES			
Stores & Spare Parts Consumed		98.55	89.61
Power & Fuel		59.86	70.80
Rent		2.89	2.67
Repairs:			
Buildings	1.30		0.59
Plants & Machinery	1.76		0.79
Others	2.56		2.76
		5.62	4.14
Excise duty provided on stocks		0.04	(0.99)
Insurance		2.75	3.23
Rates & Taxes		0.31	0.34
Stationery, Printing, Postage, Telegram and Advertisement, etc.		10.21	14.95
Directors' Fees		0.05	0.05
Audit Fees		0.40	0.40
Commission and Brokerage on Sales		32.98	30.72
General Charges		44.02	44.29
Charity & Donation		0.68	0.07
Foreign Exchange Loss		–	31.78
Provision for Doubtful Debts		–	0.25
Misc. Expenditure Written off		0.17	0.98
Total		**258.53**	**293.29**

Notes:

	2009-10		2008-09	
	Amount	Percentage	Amount	Percentage
1. Stores & Spares Consumed :				
Imported	5.93	6.02	9.11	10.17
Indigenous	92.62	93.98	80.50	89.83
	98.55	100.00	89.61	100.00

	31.03.2010	31.03.2009
2. General Charges includes:		
a) Payments to Auditors in other capacity :		
i) To affiliated firms	0.23	0.32
ii) For other services (including certification etc.)	0.04	0.04
iii) For certification work required to be done by the Statutory Auditors	0.01	0.02
iv) For expenses	–	0.02
Total	0.28	0.40
b) Cost Auditor Audit fees	0.01	0.01
Total	**0.01**	**0.01**

Schedule - 18 INTEREST AND FINANCE CHARGES		
On Debentures, Term Loans and Working Capital	47.69	43.84
Others	3.63	20.13
Total	**51.32**	**63.97**

Schedules forming part of the Accounts

Schedule - 19 SIGNIFICANT ACCOUNTING POLICIES

1) Accounting Convention

The financial statements are prepared on historical cost basis and based on accrual method of accounting and in accordance with applicable Accounting Standards.

2) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialised.

3) Fixed Assets

Fixed assets are stated at historical cost net of cenvat, inclusive of financing costs till commencement of commercial production and less accumulated depreciation.

4) Impairment of Assets

The Company evaluates impairment losses on the fixed assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. If such assets are considered to be impaired, the impairment loss is then recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the smallest level for which there are separately identifiable cash flows.

5) Expenditure during Construction Period

In case of new projects/expansion of existing projects, revenue expenditure incurred during construction/pre-operative period in so far as such expenses relate to the period prior to the commencement of commercial production are treated as part of the project cost and capitalised.

6) Intangible Assets

Certain technical know how and software cost are capitalised and recognised as Intangible Assets in terms of Accounting Standard -26 "Intangible Assets" based on materiality, accounting prudence and significant economic benefits expected to flow therefrom for a period longer than one year.

7) Depreciation

Depreciation on Buildings, Plant and Machinery is calculated on straight line basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on Furniture, Fixtures, Office Equipments, Borewell and Vehicles is calculated on written down value basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

Intangible assets are amortised over a period of five years.

8) Borrowing Cost

Interest and other costs in connection with the borrowings of the funds to the extent related/ attributed to the acquisition /construction of qualifying fixed assets are capitalised upto the date when such assets are ready for their intended use and other borrowing costs are charged to the Profit and Loss Account.

9) Investments

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in nature. Current Investments are stated at lower of cost or fair value.

10) Inventories

Inventories of finished goods, raw materials, process stock and property under development are carried at lower of cost and net realisable value. Fuel and stores & spare parts are carried at or below cost. Cost for raw materials, fuel, stores & spare parts are ascertained on weighted average /FIFO basis. Cost for finished goods and process stock is ascertained on full absorption cost basis and includes excise duty. Cost of property under development includes cost of land, material, labour, manufacturing and other overheads.

11) Revenue Recognition

Revenue is recognised based on the nature of activity, when consideration can be reasonably measured and there exists reasonable certainty of its recoverability.

Revenue from sale of goods is recognised when substantial risk and rewards of ownership are transferred to the buyer under the terms of the contract.

Sales value is net of discount and inclusive of excise duty and sales tax but does not include other recoveries such as handling charges, transport, octroi, etc.

12) Cenvat credit

Cenvat credit is accounted for on accrual basis on purchase of materials.

13) Foreign Currency Transactions

Transactions in foreign currency are recorded at the exchange rates prevailing at the time the transactions are effected.

Monetary items denominated in foreign currency at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the differences between the year end rates and rate on the date of the contract is recognised as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit and Loss Account for the period in which the difference takes place.

Non monetary foreign currency items are carried at historical cost.

14) Prior Period Expenses/Income

Material items of prior period expenses/income are disclosed separately.

15) Employees Benefits

Defined Contribution Plan

The Company's contributions paid / payable for the year to Provident Fund and ESIC are recognised in the Profit and Loss Account.

Defined Benefit Plan

The Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past services are recognised on a straight line basis over the average period until the amended benefits become vested.

Actuarial gain and losses are recognised immediately in the Profit and Loss Account as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

16) Employee Stock Option Scheme

The Company has formulated Sintex Industries Limited Employee Stock Option Scheme, 2006 (ESOS) in accordance with SEBI (Employee Stock Option and Employee Stock Purchase Scheme) Guidelines, 1999. The ESOS is administered through a Trust. The accounting of employees share based payment plans administered through the Trust is carried out in terms of "Guidance Note on Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India. In accordance with SEBI Guidelines, the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight line basis over the vesting period.

17) Miscellaneous Expenditure

Share Issue Expenses incurred upto March, 2006 are amortised over a period of 5 years as per the prevailing provisions of Section 35-D of the Income Tax Act,1961.

18) Accounting for Tax

Current tax and Fringe Benefit tax are accounted on the basis of estimated taxable income for the current accounting period and in accordance with the provisions of the Income Tax Act, 1961. Deferred tax resulting from "Timing Differences" between book and taxable profit is accounted for using the tax rates that have been enacted or substantively enacted on the Balance Sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

19) Leases

Assets acquired under lease where the Company has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Assets acquired on leases where a significant portion of the risks and rewards incidental to ownership is retained by the lessor are classified as Operating Lease. Lease rentals are charged to the Profit and Loss Account on accrual basis.

20) Redemption Premium of Foreign Currency Convertible Bonds (FCCBs)

Premium payable on redemption of FCCBs is fully provided and charged to Securities Premium Account in the year of issue.

21) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recongnised nor disclosed in the financial statements.

22) Financial Derivatives

In respect of derivative contracts, premium paid and gains/ losses on settlement are charged to Profit and Loss Account. Losses arising on the restatement of the outstanding derivative contracts as at the year end by marking them to market are charged to the Profit and Loss Account.

Schedules forming part of the Accounts

Schedule - 20 NOTES FORMING PART OF ACCOUNTS

(₹ in crore)

	2009-10	2008-09
1) Previous year's figures have been regrouped / reclassified, wherever necessary to make them comparable with the figures of the current year financial statements.		
2) Estimated amount (net of advances) of contracts remaining to be executed on capital accounts and not provided for	–	6.30
3) Contingent liabilities in respect of :-		
a) Amount of claims of certain retrenched employees for re-instatement with back wages	Amount not ascertained	Amount not ascertained
b) Corporate guarantees given to Banks/Institutions	205.22	252.87
c) Performance guarantees given to customers by bankers	30.38	53.81
d) Disputed demand not acknowledged as debt against which the Company has preferred appeal	11.71	11.14

4) The Scheme of Arrangement (the "Scheme") between the Company and its equity Shareholders was approved by the Board of Directors vide its resolution dated 30th June, 2008, by the Shareholders in their Court convened meeting held on 15th September, 2008 and by the Honourable High Court of Gujarat vide its order dated 25th March, 2009. The Appointed Date of Scheme was 1st April, 2008. The Company filed the Order with the Registrar of Companies, Gujarat on 14th April, 2009 within the time specified in the order and the Scheme had been given effect to in the previous year's financial statements. Accordingly, as per the Scheme, from the said date, the Company earmarked ₹ 200 crore from Securities Premium Reserve to International Business Development Reserve Account (the "IBDR").

As per the Scheme, the balance of IBDR so earmarked is available towards such expenses as specified under the Scheme. Accordingly, during the year, the Company has adjusted against the earmarked balance of IBDR an amount of of ₹ 10.53 crore (previous year ₹ 130.73 crore) being such specified expenses as per the Scheme. The said accounting treatment has been followed as prescribed under the Scheme and it has no impact on the profit for the year, as per the Scheme.

5) The Company issued Zero Coupon Foreign Currency Convertible Bonds ("FCCBs") aggregating to USD 225 million on March 12, 2008 for financing foreign currency expenditure for expansion plans in existing businesses, investments in overseas joint ventures and/or wholly owned subsidiaries, international acquisitions and others.

As per the terms & conditions of the Offering Circular dated March 12, 2008, the Conversion Price of FCCBs is reset at ₹ 493.00 from ₹ 580.00 per equity share on March 12, 2010.

The proceeds of the above issue have been utilised on an overall basis as set out below:

Particulars	USD in million	₹ in crore
FCCB issue expenses directly paid	1.01	4.04
Investment in overseas subsidiary	67.45	295.81

Unutilised FCCB proceeds amounting to ₹ 737.45 crore (previous year ₹ 805.62 crore) have been invested in fixed deposits and ₹ 7.63 crore (previous year ₹ 26.23 crore) have been lying in Current Account with banks at the year end.

6) The Company raised ₹ 589.50 crore (USD 150 million) by issuing 1,25,42,553 equity shares of ₹ 2 each to Qualified Institutional Buyers ("QIBs") at a premium of ₹ 468.00 per share in February, 2008.

The proceeds of above issue have been utilised on an overall basis as set out below:

Particulars	₹ in crore
QIB issue expenses directly paid	10.53
Capital Expenditure (including Capital Work in Progress)	456.47
Repayment of Working Capital	122.50

There is no unutilised QIB proceeds lying with the Company on March 31, 2010.

Schedules forming part of the Accounts

7) The Profit and Loss Account includes: (₹ in crore)

	2009-10	2008-09
a) Chairman/Vice Chairman Remuneration (Two)		
Salary	0.53	0.53
Commission	2.00	1.60
Contribution to Provident Fund and Superannuation Fund	0.14	0.14
Perquisites in cash or in kind	0.40	0.38
Total	**3.07**	**2.65**
b) Managing Directors' Remuneration (Three)		
Salary	1.12	0.97
Commission	2.50	2.10
Contribution to Provident Fund and Superannuation Fund	0.28	0.26
Perquisites in cash or in kind	0.83	0.72
Total	**4.73**	**4.05**
Grand Total	**7.80**	**6.70**

8) Computation of Net Profit as per Section 349 read with Section 309(5) and Section 198 of the Companies Act, 1956 :

	2009-10	2008-09
Profit as per Profit & Loss Account	273.70	266.71
Add: Provision for Taxation	67.78	74.95
Managerial Remuneration	7.80	6.70
Directors' fees	0.05	0.05
Depreciation (as per accounts)	84.03	62.40
Loss/(Profit) on sale of investments	(8.23)	(19.22)
Loss/(Profit) on sale of Fixed Assets	(0.44)	(0.41)
Provision for doubtful debts & advances	–	0.25
Share issue expenses written off	0.17	0.98
Total (a)	**424.86**	**392.41**
Less: Depreciation (as per Section 350)	84.03	62.40
Total (b)	**84.03**	**62.40**
Net Profit (a-b)	**340.83**	**330.01**
Remuneration @ 10 %	34.08	33.00
Commission : (Subject to the overall ceiling laid down in Section 198 and Section 309 of the Companies Act, 1956)		
i) 2% of Net Profit each to Chairman and Vice Chairman	6.82	6.60
Restricted to	2.00	1.60
ii) 2% of Net Profit to each Managing Director (Two)	6.82	6.60
Restricted to	2.00	1.60
iii) 1% of Net Profit to one Managing Director	3.41	3.30
Restricted to	0.50	0.50

9) ESOP

i) The Company initiated "the Sintex Industries Limited Employee Stock Option Scheme, 2006" (the "Scheme") for all eligible employees in pursuance of the special resolution approved by the Shareholders in the Extraordinary General Meeting held on 24th February, 2006. The Scheme covers all directors and employees (except promoters or those belong to the promoters' group) of the Company and directors and employees of all its subsidiaries. Under the Scheme, the Compensation Committee of the Board (the "Committee") administers the Scheme and grants stock options to eligible directors or employees of the Company and its subsidiaries. The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 10,000 options per annum for each employee. The vesting period is at the expiry of thirty six months from the date of the grant of option. The Committee has decided the exercise price of ₹ 91.70 per equity share as per clause 8.1 of SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

ii) The Company has given loan to Sintex Employees Welfare Trust (ESOP Trust) towards subscribing 10,00,000 equity shares of the Company at ₹ 91.70 per equity share aggregating to ₹ 9.17 crore. On 21st August, 2006, the Company issued 10,00,000 equity shares of the face value of ₹ 2 each to ESOP Trust at ₹ 91.70 per equity share.

Schedules forming part of the Accounts

iii) During the year, the Company granted Nil equity share (previous year 3,36,500 equity share) options to eligible employees at ₹ 91.70 per equity share. The details of outstanding options are as under:

Particulars	2009-10	2008-09
Options outstanding as at beginning of the year	1000000	663500
Add: Options granted during the year	Nil	336500
Less: Options exercised during the year	Nil	Nil
Less: Options forfeited during the year	Nil	Nil
Options outstanding at the end of the year	1000000	1000000

10) Employee Benefits

A) Defined Benefit Plans

i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Profit & Loss Account.

ii) The Defined Benefit Plan comprises of Gratuity and Leave Encashment

Gratuity is a benefit to an employee based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of continuous service with part thereof in excess of six months. The plan is funded through Sintex Industries Limited Employees Gratuity Trust Fund.

Leave Encashment is a benefit to an employee based on the number of leave days accrued to the credit of employee subject to a maximum limit as per the rules of the Company. The same is calculated on the basis of last drawn basic monthly salary including dearness allowance (if any). The plan is unfunded.

(₹ in crore)

Particulars	2009-10		2008-09	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
i Expense recognised in Profit & Loss Account and included in Schedule 16 "Employee Emoluments"				
Current Service Cost	1.23	0.88	1.16	0.72
Interest Cost	1.10	0.42	0.89	0.34
Expected return on plan assets	(0.79)	–	(0.71)	–
Net actuarial losses (gains)	0.07	(0.18)	0.79	0.13
Total Expenses	**1.61**	**1.12**	**2.13**	**1.19**
ii Reconciliation of opening and closing balances of changes in present value of the defined benefit obligation:				
Opening Balance of defined benefit obligation	13.73	5.23	11.50	4.38
Current Service Cost	1.23	0.88	1.16	0.72
Interest Cost	1.10	0.42	0.89	0.34
Actuarial losses (gains)	0.07	(0.18)	0.77	0.13
Liabilities extinguished on settlements	–	–	–	–
Benefits paid	(0.87)	(0.49)	(0.59)	(0.34)
Closing Balance of defined benefit obligation	**15.26**	**5.86**	**13.73**	**5.23**
iii Reconciliation of opening and closing balances of changes in the fair value of plan assets:				
Opening Balance of plan assets	8.35	–	7.34	–
Expected returns on plan assets	0.79	–	0.71	–
Actuarial gains (losses)	–	–	(0.02)	–
Assets distributed on settlements	–	–	–	–
Contribution by employer	1.00	–	0.91	–
Benefits paid	(0.87)	–	(0.59)	–
Closing Balance of plan assets	**9.27**	–	**8.35**	–
iv Net Liability recognised in the Balance Sheet				
Closing Balance of defined benefit obligation	15.26	5.86	13.73	5.23
Closing balance of fair value of plan assets	9.27	–	8.35	–
Present value of unfunded obligation recognised as liability	**5.99**	**5.86**	**5.38**	**5.23**
v Actual return on plan assets	**0.79**	–	**0.70**	–

Schedules forming part of the Accounts

		As at March 31, 2010	As at March 31, 2009
vi	Actuarial Assumptions:		
	Discount Rate	8.00%	7.75%
	Expected rate of return on plan assets	9.00%	9.00%
	Expected rate of salary increase	6.00%	6.00%
	Mortality	LIC (1994-96) published table of rates	
	Withdrawal Rates	Suitable rates based on attained age	
	Retirement Age	60 years	
	Actuarial Valuation Method	Projected Unit Credit Method	

a) The discount rate is based on the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of the obligations.

b) Expected Rate of Return of Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of obligations.

c) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

vii The Company has Defined Benefit Plans for Gratuity to its employees, contribution for which are made to Life Insurance Corporation of India who invests the funds as per Insurance Regulatory and Development Authority Guidelines.

viii Past four years' data for defined benefit obligation and fair value of plan is as under:

(₹ in crore)

Particulars	2005-06	2006-07	2007-08	2008-09
Present value of defined benefit obligations at the end of the year (Independent Actuary)	NA	9.38	11.50	13.73
Fair value of plan assets at the end of the year	NA	6.42	7.34	8.35
Net assets/(liability) at the end of the year	NA	(2.96)	(4.16)	(5.38)

ix The contribution expected to be made by the Company during the financial year 2010-11 has not been ascertained.

B) Defined Contribution Plans

₹ 4.95 crore (previous year ₹ 4.69 crore) recognised as an expense and included in the Schedule 16 of Profit and Loss Account under the head "Contributions to Provident, Superannuation and Gratuity Fund".

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

(₹ in crore)

Name of the Company		As at March 31, 2010	As at March 31, 2009	Maximum Balance during the year	Maximum Balance during 2008-09
Zeppelin Mobile Systems India Ltd.	Subsidiary	18.74	47.92	38.08	47.92
Sintex Oil and Gas Pvt. Ltd.	Subsidiary	1.50	–	1.50	–
Sintex Infra Projects Ltd.	Subsidiary	0.50	–	0.50	–
Bright AutoPlast Pvt. Ltd.	Subsidiary	66.39	72.20	107.66	72.20

Notes:

i) Loans & Advances shown above fall under the category of Loans and Advances in nature of loans where repayment will commence in three annual equal installment from the end of 3rd year.

ii) Rate of Interest for the loans and advances given to Zeppelin Mobile Systems India Limited and Bright AutoPlast Private Limited has been decided on draw down but not less than prevailing bank rate.

B) Investment by the loanee in the shares of the Company

None of the loanees and loanees of subsidiary companies have, per se, made investments in shares of the Company.

12) Foreign currency exposure not hedged by derivative instruments as at 31st March, 2010 amounting to ₹ 1027.19 crore (previous year ₹ 1160.14 crore).

Schedules forming part of the Accounts

Schedule - 20 NOTES FORMING PART OF ACCOUNTS (Contd..)

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

(₹ in crore)

Particulars	31.03.2010	31.03.2009
Principal amount remaining unpaid to any supplier as at the year end	1.52	0.35
Interest due on the above mentioned principal amount remaining unpaid to any supplier as at the year end	-	-
Amount of the interest paid by the Company in terms of Section16 of Micro, Small and Medium Enterprises Development Act, 2006 ("MSM Act") along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSM Act.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

On the basis of information and records available with the Company, there are no delays in payments to Micro and Small Enterprises as required to be disclosed under the MSM Act and the above mentioned disclosures are made under Schedule -11 "Current Liabilities and Provisions". The above information has been determined to the extent such parties have been identified by the Company on the basis of information supplied by the parties, which has been relied upon by the auditors.

14) Quantitative Information

i) Licensed & Installed Capacity and Production

a) Textile Unit

	2009-10			2008-09		
	Capacity*		Production Qty.	Capacity*		Production Qty.
Particulars	Licensed (Nos.)	Installed (Nos.)	(Cloth Pkd. Mtrs in cr.)	Licensed (Nos.)	Installed (Nos.)	(Cloth Pkd. Mtrs in cr.)
Looms	592	377	1.71	592	377	1.57

b) Plastic Unit

	2009-10			2008-09		
	Capacity*		Production Qty.	Capacity*		Production Qty.
Particulars	Licensed (Kgs in cr.)	Installed (Kgs in cr.)	(Kgs in cr.)	Licensed (Kgs in cr.)	Installed (Kgs in cr.)	(Kgs in cr.)
Thermoplastic Powder Moulding	4.90	4.69	3.07	4.10	3.89	2.72
Extruded Thermo-Plastic Sections	4.00	3.88	0.92	4.00	3.88	0.74
Prefabricated Structures/ BT Shelters (Qty. in Actual Nos.)	75000	60000	43299	75000	60000	42531
SMC/Pultrusion and Articles made thereof / Thermoforming and Blow Moulding/ Injection Moulding	2.00	1.66	0.58	2.00	1.66	0.63

** As Certified by the Management*

ii) Value & Quantitative break-up in respect of Opening & Closing Stock of each class of goods produced

		2009-10				2008-09			
		Opening Stock		Closing Stock		Opening Stock		Closing Stock	
Class of Goods	Unit	Qty. (in cr.)	₹ (in cr.)	Qty. (in cr.)	₹ (in cr.)	Qty. (in cr.)	₹ (in cr.)	Qty. (in cr.)	₹ (in cr.)
Cloth Packed	Mtrs.	0.04	4.28	0.05	5.33	0.04	3.58	0.04	4.28
Rotomoulded Products	Kgs.	0.12	16.40	0.10	14.77	0.13	16.44	0.12	16.40
Plastic Sections	Kgs.	0.07	6.93	0.06	5.88	0.07	5.86	0.07	6.93
SMC/Pultrusion and Articles made thereof / Plastic Thermoforming	Kgs.	0.03	3.36	0.02	2.07	0.01	2.34	0.03	3.36

Schedules forming part of the Accounts

Schedule - 20 NOTES FORMING PART OF ACCOUNTS (Contd..)

iii) Quantitative and Value Analysis of Sales

	Unit	2009-10		2008-09	
		Qty. in crore	₹ in crore	Qty. in crore	₹ in crore
a) Textile Unit					
Cloth	Mtrs.	2.51	340.52	2.71	366.23
Yarn	Kgs.	0.06	7.28	0.05	5.37
Waste		-	2.68	-	2.82
b) Plastic Unit					
Rotomoulded Products	Kgs.	3.09	448.92	2.73	352.92
Plastic Sections	Kgs.	0.93	86.14	0.74	63.00
Prefabricated Structures/ BT Shelters	Actual Nos.	43299	1112.79	42531	1088.29
SMC/Pultrusion /Thermoforming	Kgs.	0.59	104.73	0.61	101.46
Others		–	0.50	–	1.95
Total			2103.56		1982.04

(₹ in crore)

	2009-10	2008-09
iv) a) Value of Import on CIF Basis		
Raw Materials	74.79	11.51
Stores & Spare Parts	2.41	11.14
Capital Goods	3.07	0.99
b) Earnings in Foreign Currency		
FOB Value of Direct Export	40.34	33.30
c) Expenditure in Foreign Currency		
Travelling Expenses	3.74	4.10
Commission	0.79	0.46
Technical Fees	0.11	–
Professional Fees	–	0.30

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

Particulars	31.03.2010	31.03.2009
Deferred Tax Liability		
Difference between book and tax depreciation	157.02	135.14
Total	157.02	135.14
Deferred Tax Asset		
Disallowances under Income Tax	(4.66)	(4.21)
Provision for doubtful debts & advances	(0.21)	(0.24)
Total	(4.87)	(4.45)
Deferred Tax Liability (Net)	152.15	130.69

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

Particulars		2009-10	2008-09
Basic Earnings Per Share before Extra Ordinary Items			
Profit attributable to the Shareholders (₹ in crore)	A	273.70	266.71
Weighted average number of Equity Shares outstanding during the year	B	135495433	135495433
Nominal value of Equity Shares (₹)		2.00	2.00
Basic Earnings Per Share (₹)	A/B	20.20	19.68
Diluted Earnings Per Share before Extra Ordinary Items :			
Profit attributable to the Shareholders (₹ in crore)	A	273.70	266.71
Weighted average number of Equity Shares outstanding during the year	B	135495433	135495433
Nominal value of Equity Shares (₹)		2.00	2.00
Diluted Earning Per Share (₹)	A/B	20.20	19.68

	No. of shares	No. of shares
Weighted average number of Equity Shares outstanding during the year for Basic EPS	135495433	135495433
Add : Dilutive potential Equity Shares	–	–
Weighted average number of Equity Shares outstanding during the year for Dilutive EPS	135495433	135495433

Schedules forming part of the Accounts

Schedule - 20 NOTES FORMING PART OF ACCOUNTS (Contd..)

17) Related Party Transactions:

a) Names of related parties & description of relationship :

Sr. No.	Nature of Relationship	Name of Related Parties
1	Associate Companies	BVM Finance Private Limited
2	Key Management Personnel	Shri Dinesh B. Patel, Chairman
		Shri Arun P. Patel, Vice Chairman
		Shri Rahul A. Patel, Managing Director
		Shri Amit D. Patel, Managing Director
		Shri S. B. Dangayach, Managing Director
3	Subsidiaries	Zeppelin Mobile Systems India Limited
	(Control exists)	Sintex Holdings B.V.
		Bright AutoPlast Private Limited
		Sintex Infra Projects Limited
		Sintex Oil and Gas Pvt. Ltd.
		Sintex Holdings USA, Inc.
		Sintex France SAS
		Sintex Industries UK Ltd.
		Sintex Austria B.V.
		Amarange Inc.
		Wasaukee Composites Inc.
		Wasaukee Composites Inc.- Owosso, Inc.
		WCI Wind Turbine Components, LLC.
		Nief Plastic Holdings SAS
		Nief Plastic SAS
		NP Hungaria kft
		NP Nord SAS
		NP Slovakia SRO
		NP Savoie SAS
		NP Tunisia SARL
		NP Vosges SAS
		Segaplast SAS
		Segaplast Maroc SA
		Siroco SAS
		Thermodole SAS
		AIP SAS
		Cuba City Real Estate LLC
		Owosso Real Estate LLC
		SIMOP SAS
		SICMO SAS

b) Detail of transactions with related parties:

(₹ in crore)

Nature of Transactions	Subsidiary/Associates Companies		Key Management Personnel		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
I] Volume of transactions:						
A) Managerial Remuneration						
Dinesh B. Patel	–	–	1.53	1.33	1.53	1.33
Arun P. Patel	–	–	1.54	1.33	1.54	1.33
Rahul A. Patel	–	–	1.78	1.44	1.78	1.44
Amit D. Patel	–	–	1.79	1.44	1.79	1.44
S.B. Dangayach	–	–	1.17	1.16	1.17	1.16
B) Unsecured Loan/Advances Given						
Zeppelin Mobile Systems India Ltd.	–	36.72	–	–	–	36.72
Zeppelin Mobile Systems India Ltd. (Advance Subscription Money)	–	35.00	–	–	–	35.00
Bright AutoPlast Pvt. Ltd.	–	46.40	–	–	–	46.40
Sintex Infra Projects Ltd.	0.50	–	–	–	0.50	–
Sintex Oil and Gas Pvt. Ltd.	1.50	–	–	–	1.50	–
Sintex Oil and Gas Pvt. Ltd. (Advance Subscription Money)	0.04	–	–	–	0.04	–

Schedule - 20 NOTES FORMING PART OF ACCOUNTS (Contd..)

(₹ in crore)

Nature of Transactions	Subsidiary/Associates Companies		Key Management Personnel		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
C) Unsecured Loan/Advances Taken/(Repaid)						
Zeppelin Mobile Systems India Ltd.	(29.18)	–	–	–	(29.18)	–
Bright AutoPlast Pvt. Ltd.	(5.81)	–	–	–	(5.81)	–
D) Dividend Received						
Zeppelin Mobile Systems India Ltd.	0.22	0.22	–	–	0.22	0.22
II] Balance at the end of the year						
A) Current Liabilities						
Dinesh B. Patel	–	–	1.00	0.80	1.00	0.80
Arun P. Patel	–	–	1.00	0.80	1.00	0.80
Rahul A. Patel	–	–	1.00	0.80	1.00	0.80
Amit D. Patel	–	–	1.00	0.80	1.00	0.80
S.B. Dangayach	–	–	0.50	0.50	0.50	0.50
B) Investments in Equity Shares						
Zeppelin Mobile Systems India Ltd.	111.00	18.00	–	–	111.00	18.00
Sintex Holdings B.V.	364.35	363.60	–	–	364.35	363.60
Bright AutoPlast Pvt. Ltd.	50.03	50.00	–	–	50.03	50.00
BVM Finance Pvt. Ltd.	8.69	8.69	–	–	8.69	8.69
Sintex Infra Projects Ltd.	0.05	–	–	–	0.05	–
Sintex Oil and Gas Pvt. Ltd.	0.01	–	–	–	0.01	–
C) Investments in Preference Shares						
Bright AutoPlast Pvt. Ltd.	50.00	50.00	–	–	50.00	50.00
D) Loans and Advances						
Zeppelin Mobile Systems India Ltd.	18.74	47.92	–	–	18.74	47.92
Zeppelin Mobile Systems India Ltd. (Advance Subscription Money)	–	35.00	–	–	–	35.00
Bright AutoPlast Pvt. Ltd.	66.39	72.20	–	–	66.39	72.20
Sintex Infra Projects Ltd.	0.50	–	–	–	0.50	–
Sintex Oil and Gas Pvt. Ltd.	1.50	–	–	–	1.50	–
Sintex Oil and Gas Pvt. Ltd.(Advance Subscription Money)	0.04	–	–	–	0.04	–
E) Guarantees Given						
Bright AutoPlast Pvt. Ltd.	45.00	70.00	–	–	45.00	70.00
Sintex France SAS	145.34	161.95	–	–	145.34	161.95

18) Leases

Operating Lease

Lease rentals charged to revenue for lease agreements for the right to use following assets are : (₹ in crore)

Particulars	2009-10	2008-09
Office premises	2.89	2.67

The lease agreements are executed for a period ranging between 11 to 96 months with a renewal clause and also provide for termination at will by either party by giving a prior notice.

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

Signature to Schedule 1 to 20

As per our attached report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Ahmedabad
Date : April 30, 2010

Dinesh B. Patel *Chairman*
Arun P. Patel Vice *Chairman*
Rahul A. Patel *Managing Director*
Amit D. Patel *Managing Director*
S. B. Dangayach *Managing Director*

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

L. M. Rathod
Company Secretary

Ahmedabad
Date : April 30, 2010

Balance Sheet Abstract

Balance Sheet Abstract and Company's General Business Profile

I) **Registration Details**

Registration No.	L17110GJ1931PLC000454		
Balance Sheet Date	31.03.2010	State Code	04

ii) **Capital Raised during the year** (₹ in Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Conversion of FCCBs\Warrants into Equity Shares	NIL

iii) **Position of Mobilisation and Deployment of Funds** (₹ in Thousands)

Total Liabilities	47313384.36	Total Assets	47313384.36
Sources of Funds			
Paid up Capital	270990.87	Reserves & Surplus	18550164.43
Secured Loans	10587199.90	Unsecured Loans	11156500.00
Convertible Share Warrants	NIL	Deferred Tax Liability	1521457.34
Application of Funds			
Net Fixed Assets	14733365.22	Investments	8079411.47
Net Current Assets	19273535.85	Misc. Expenditure	0.00

iv) **Performance of the Company** (₹ in Thousands)

Turnover including other income	21074561.70	Total Expenditure	17659802.48
Profit before Tax	3414759.22	Profit after Tax	2737023.82
Earnings Per Share -Basic (₹)	20.20	Dividend Per Share (₹)	₹ 1.20
Earnings Per Share -Diluted (₹)	20.20		

v) **Generic Name of Principal Product of the Company**

Item Code No.(ITC Code)	5208.59
Product Description	Fabrics
Item Code No.(ITC Code)	5509.59
Product Description	Yarn
Item Code No. (ITC Code)	3925.90
Product Description	Thermoplastic Powder Moulding & Extruded Thermoplast Products

Dinesh B. Patel *Chairman*
Arun P. Patel Vice *Chairman*
Rahul A. Patel *Managing Director*
Amit D. Patel *Managing Director*
S. B. Dangayach *Managing Director*

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

Ahmedabad
Date : April 30, 2010

L. M. Rathod
Company Secretary

Section 212

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

(₹ in crore)

Sr. No.	Name of Subsidiary Company	Reporting period	Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in subsidiaries	Turnover	Profit Before Taxation	Provision for Taxation	Profit After Taxation	Proposed Dividend
1	Zeppelin Mobile Systems India Ltd.	31.03.2010	1.30	66.20	165.57	165.57	–	146.76	4.58	1.30	3.28	0.76
2	Sintex Holdings B.V.	31.12.2009	346.77	15.48	362.25	362.25	–	–	(0.94)	–	(0.94)	–
3	Bright AutoPlast Pvt. Ltd.	31.03.2010	55.01	45.83	327.78	327.78	–	223.11	1.25	0.63	0.62	–
4	Sintex Holding USA, Inc.	31.12.2009	87.53	7.28	94.84	94.84	–	–	5.84	(0.06)	5.90	–
5	Sintex France SAS	31.12.2009	137.74	0.77	308.13	308.13	–	–	2.54	(4.23)	6.77	–
6	Sintex Industries UK Limited	31.12.2009	18.84	(7.84)	11.04	11.04	–	–	(0.15)	–	(0.15)	–
7	Sintex Austria B.V.	31.12.2009	25.57	0.18	25.75	25.75	20.80	–	0.17	–	0.17	–
8	Amarange Inc.	31.12.2009	31.25	(0.14)	31.11	31.11	–	–	(0.06)	–	(0.06)	–
9	Wausaukee Composites Inc.	31.12.2009	2.05	24.93	55.55	55.55	–	103.52	10.22	3.71	6.51	–
10	Wausaukee Composites Owosso, Inc.	31.12.2009	18.41	3.68	15.79	15.79	–	32.36	(1.95)	(0.72)	(1.23)	–
11	WCI Wind Turbine Components, LLC	31.12.2009	–	(3.61)	0.74	0.74	–	8.66	(1.87)	(0.69)	(1.18)	–
12	Nief Plastic Holdings SAS	31.12.2009	6.71	10.07	16.80	16.80	–	–	0.46	–	0.46	0.47
13	Nief Plastic SAS	31.12.2009	107.46	69.61	259.75	259.75	–	250.60	4.49	(0.54)	5.03	2.45
14	NP Hungaria Kft	31.12.2009	13.41	13.97	65.28	65.28	–	80.46	5.96	0.66	5.30	1.68
15	NP Nord SAS	31.12.2009	16.77	(22.49)	22.45	22.45	–	40.81	(0.34)	–	(0.34)	–
16	NP Slovakia SRO	31.12.2009	6.71	2.63	14.18	14.18	–	35.99	0.98	0.20	0.78	–
17	NP Savoie SAS	31.12.2009	8.37	11.40	36.89	36.89	–	60.58	2.98	0.82	2.16	1.34
18	NP Tunisia SARL	31.12.2009	11.43	12.74	67.83	67.83	–	56.58	8.02	–	8.02	1.41
19	NP Vosges SAS	31.12.2009	6.71	14.06	44.19	44.19	–	100.00	1.46	0.26	1.20	0.94
20	Segaplast SAS	31.12.2009	2.50	9.96	19.45	19.45	–	35.57	1.82	0.50	1.32	0.73
21	Segaplast Maroc SA	31.12.2009	1.76	5.47	14.48	14.48	–	18.41	2.26	0.64	1.62	0.05
22	Siroco SAS	31.12.2009	3.35	1.96	12.37	12.37	–	24.42	(1.96)	–	(1.96)	–
23	Thermodole SAS	31.12.2009	6.71	15.18	37.35	37.35	–	66.42	2.82	0.73	2.09	0.94
24	AIP SAS	31.12.2009	3.06	35.10	60.62	60.62	–	64.73	7.51	1.86	5.66	1.69
25	Cuba City Estate LLC	31.12.2009	0.32	(0.01)	3.28	3.28	–	0.27	0.05	0.02	0.03	–
26	Owosso Real Estate LLC	31.12.2009	0.91	0.25	4.18	4.18	–	0.50	0.23	0.09	0.15	–
27	Sintex Infra Projects Limited	31.03.2010	0.05	(0.09)	59.77	59.77	–	–	(0.09)	–	(0.09)	–
28	Sintex Oil and Gas Private Limited	31.03.2010	0.05	(0.02)	11.74	11.74	–	–	(0.02)	–	(0.02)	–
29	SICMO SAS	30.09.2009	–	–	–	–	–	–	–	–	–	–
30	SIMOP SAS	30.09.2009	–	–	–	–	–	–	–	–	–	–
	Total		920.75	332.55	2149.16	2149.16	20.80	1349.75	56.26	5.18	51.10	12.46

The Exchange rates have been considered as on closure of the financial year of respective subsidiary which are as under -
1 Euro = ₹ 67.07, 1 USD = ₹ 46.68, 1 SGD = ₹ 33.37, 1 MAD Dirhams = ₹ 5.88, 1 GBP = ₹ 75.03

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

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Dr. Rajesh B. Parikh *Director*
Dr. Lavkumar Kantilal *Director*
Rooshikumar V. Pandya *Director*
Indira J. Parikh *Director*

Ahmedabad
Date : April 30, 2010

L. M. Rathod
Company Secretary

Auditors' Report on Consolidated Financial Statement

To the Board of Directors of,

Sintex Industries Limited

1. We have audited the attached Consolidated Balance Sheet of SINTEX INDUSTRIES LIMITED ("the Company"), and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. Without qualifying our opinion, we draw attention to Note 4 of Schedule 20 to these financial statements, regarding the Scheme of Arrangement (the "Scheme") approved by the Honourable High Court of Gujarat, as per which Scheme, in the year 2008-09 the Company earmarked ₹ 200 crore from Securities Premium Reserve to International Business Development Reserve Account (the "IBDR") and has adjusted against the earmarked balance of IBDR, ₹ 141.46 crore upto 31st March, 2010 (including ₹ 10.53 crores during the year) being expenses of the nature as specified under the Scheme. The said accounting treatment has been followed as prescribed under the Scheme. The relevant Indian Generally Accepted Accounting Principles, in absence of such Scheme, would not permit the adjustment of expenses against the Securities Premium Reserve / IBDR. Had the Company accounted for these expenses as per Generally Accepted Accounting Principles in India, instead of accounting for as per the Scheme, the balance of Securities Premium Reserve / IBDR would have been higher by ₹ 141.46 crore as at 31st March, 2010 and Profit after tax would have been lower by ₹ 10.53 crore for the year ended on 31st March, 2010.
4. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 871.99 crore as at 31st March, 2010, total revenues of ₹ 977.25 crore and net cash inflows amounting to ₹ 57.76 crore for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the reports of the other auditors.
5. We have relied on the unaudited financial statements of three subsidiaries, whose financial statements reflect total assets of ₹ 90.48 crore as at 31st March, 2010, total revenue of ₹ 1.17 crore and cash outflows amounting to ₹ 11.02 crore for the year ended on that date as considered in the Consolidated Financial Statements. These unaudited financial statements have been compiled and certified by the management and have not been subject to audit by independent auditors. Our opinion, in so far as it relates to the amounts included in respect of these three subsidiaries is based solely on these financial statements certified by the management.
6. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) as notified under the Companies (Accounting Standards) Rules, 2006.
7. Based on our audit and on consideration of the separate audit reports on individual financial statements of the Company and its aforesaid subsidiaries and on the other financial information of the components and accounts certified by the management as explained in paragraph 5 above and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
   a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2010;
   b) in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
   c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 117365W)

Gaurav J. Shah
Partner
Membership No. 35701

Ahmedabad
Date: April 30, 2010

Consolidated Balance Sheet As at March 31, 2010

(₹ in crore)

As at	Schedules		31.03.2010	31.03.2009
SOURCES OF FUNDS				
Shareholders' Funds				
Share Capital	1	27.10		27.10
Reserves & Surplus	2	1,919.78		1,677.82
			1,946.88	1,704.92
Minority Interest			18.96	26.32
Loan Funds				
Secured Loans	3	1,445.26		1,052.65
Unsecured Loans	4	1,185.08		1,243.77
			2,630.34	2,296.42
Deferred Tax Liability			204.99	173.13
Total			4,801.17	4,200.79
APPLICATION OF FUNDS				
Fixed Assets	5			
Gross Block		2,558.05		2,378.80
Less: Depreciation		774.62		636.63
Net Block		1,783.43		1,742.17
Capital Work in Progress		171.64		237.71
			1,955.07	1,979.87
Goodwill on Consolidation			266.51	219.82
Deferred Tax Asset			35.68	31.17
Investments	6		247.02	181.89
Current Assets, Loans & Advances				
Inventories	7	341.08		377.10
Sundry Debtors	8	1,012.05		809.39
Cash & Bank Balances	9	929.54		1,168.50
Loans & Advances	10	815.65		367.59
			3,098.32	2,722.58
Less: Current Liabilities & Provisions	11		801.45	934.76
Net Current Assets			2,296.87	1,787.82
Miscellaneous Expenditure				
(To the extent not written off or adjusted)	12		0.02	0.21
Total			4,801.17	4,200.79
Significant Accounting Policies	19			
Notes on Accounts	20			

As per our attached
report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Ahmedabad
Date : April 30, 2010

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Indira J. Parikh *Director*

L. M. Rathod
Company Secretary

Ahmedabad
Date : April 30, 2010

Consolidated Profit and Loss Account For the year ended March 31, 2010

(₹ in crore)

For the year ended	Schedules	31.03.2010		31.03.2009
INCOME				
Gross Sales		3,419.61		3,200.61
Less: Excise duty and Sales Tax		137.97		136.73
Net Sales		3,281.64		3,063.88
Other Income	13	125.37		156.30
Increase/(Decrease) in stock of Finished and Process Stock	14	(27.51)		36.87
			3,379.50	3,257.05
EXPENDITURE				
Raw Material Consumed	15	1,770.97		1,652.02
Employees' Emoluments	16	438.90		414.23
Manufacturing and Other Expenses	17	543.76		584.48
Interest and Finance Charges	18	73.08		81.95
Depreciation and Amortisation		144.46		114.39
			2,971.17	2,847.07
Profit before Tax			408.33	409.98
Provision for Taxation				
Current Tax		62.14		43.05
MAT Credit		(18.54)		–
Deferred Tax		27.35		35.04
Fringe Benefit Tax		–		2.13
			70.95	80.22
			337.38	329.76
Excess/(Short) provision for taxation in earlier years (Net)			(6.26)	(2.39)
Profit After Tax Before Minority Interest			331.12	327.37
Less: Minority Interest			2.12	2.25
Profit After Tax			329.00	325.12
Balance brought forward from previous year			746.12	470.82
Profit Available For Appropriations			1,075.12	795.94
APPROPRIATIONS				
Proposed Dividend - Equity Shares			16.38	15.09
Tax on Dividend			2.67	2.56
General Reserve			30.35	31.00
Debenture Redemption Reserve			10.22	1.17
Balance carried to Balance Sheet			1,015.50	746.12
Total			1,075.12	795.94
Earnings Per Share (Refer Note 12 of Schedule 20)				
Basic (in ₹)			24.28	24.00
Diluted (in ₹)			24.28	24.00
Significant Accounting Policies	19			
Notes on Accounts	20			

As per our attached report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Ahmedabad
Date : April 30, 2010

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Indira J. Parikh *Director*

L. M. Rathod
Company Secretary

Ahmedabad
Date : April 30, 2010

Consolidated Cash Flow Statement For the year ended March 31, 2010

(₹ in crore)

For the year ended		31.03.2010	31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before tax		408.33	409.98
Adjustments for :			
Profit on Sale of Fixed Assets & Investments	(9.58)		(19.39)
Unrealised Foreign Exchange (Gain)/Loss (Net)	(53.61)		46.23
Interest Income	(30.07)		(64.51)
Depreciation	144.46		114.39
Expenses relating to FCCBs / Debenture Issue	–		(11.64)
Interest and Financial Charges	73.08		81.95
Provision for doubtful debts and advances	0.05		1.63
Bad debt written off	3.71		0.24
Employees Compensation Expenses	10.27		9.27
Dividend income	–		(1.80)
Miscellaneous expenditure written off	0.19		1.06
		138.50	157.43
Operating Profit before Working Capital Changes		546.83	567.41
Adjustments for :			
Trade & other receivables	(629.60)		(238.36)
Inventories	36.02		(74.88)
Trade payables	(142.54)		(38.19)
		(736.12)	(351.43)
Cash generated from/(used in) operations		(189.29)	215.98
Direct taxes paid (Net)		(71.08)	(68.35)
Net cash from/(used in) Operating Activities - (A)		(260.37)	147.63
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(139.14)	(654.02)
Sale of fixed assets		12.37	3.70
Investment in Subsidiary and others including Share Application Money		(61.39)	(8.69)
Expenses adjusted in IBDR (Refer Note 4 of Schedule 20)		(10.53)	(130.73)
Interest received		26.69	64.51
Dividend received		–	1.80
Net cash used in Investing Activities - (B)		(172.00)	(723.43)

Cash Flow Statement (Contd..)

(₹ in crore)

For the year ended	31.03.2010		31.03.2009
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Term Borrowings		469.45	442.53
Unsecured Loan from Bank		100.00	9.68
Interest paid		(120.38)	(99.28)
Repayment of borrowings		(104.48)	(331.49)
Increase in deferred revenue expenditure		–	(0.01)
Dividend paid		(17.64)	(16.02)
Net cash from Financing Activities - (C)		**326.95**	**5.41**
Net Changes in Cash & Cash Equivalents (A+B+C)		**(105.42)**	**(570.39)**
Add: Cash & Cash Equivalents-Opening Balance		1,144.02	1714.41
Cash & Cash Equivalents-Closing Balance		**1,038.60**	**1144.02**

Notes:

For the year ended	31.03.2010		31.03.2009
1 **Cash and Cash Equivalents include:**			
Cash on hand		0.58	0.21
With banks:			
In Current Accounts	184.63		128.70
In Fixed Deposit	744.33		1039.59
[Out of above Fixed Deposits of ₹ 47.91 crore (previous year ₹ 157.44 crore) under lien to banks]		928.96	1168.29
Short Term Investments		222.24	170.11
Cash and Cash equivalents		1151.78	1338.61
Effect of Foreign Exchange Rate changes		(113.18)	(194.59)
Cash and Cash Equivalents as restated		**1038.60**	**1144.02**

2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

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

As per our attached
report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Ahmedabad
Date : April 30, 2010

Dinesh B. Patel *Chairman*
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Indira J. Parikh *Director*

L. M. Rathod
Company Secretary

Ahmedabad
Date : April 30, 2010

Schedules forming part of the Consolidated Balance Sheet

(₹ in crore)

As at	31.03.2010	31.03.2009
Schedule - 1 SHARE CAPITAL		
Authorised		
25,00,00,000 (previous year 25,00,00,000) Equity Shares of ₹ 2/- each	50.00	50.00
15,00,000 (previous year 15,00,000) Preference Shares of ₹ 100/- each	15.00	15.00
Total	65.00	65.00
Issued		
13,65,11,333 (previous year 13,65,11,333) Equity Shares of ₹ 2/- each	27.30	27.30
Total	27.30	27.30
Subscribed & Paid Up		
13,64,95,433 (previous year 13,64,95,433) Equity Shares of ₹ 2/- each	27.30	27.30
Less: Amount recoverable from ESOP Trust (face value of Equity Shares allotted to the Trust)	0.20	0.20
Total	27.10	27.10

Notes:

Of the above Shares:

i) 1,25,000 equity shares were issued as fully paid-up pursuant to contract without payment being received in cash.

ii) 74,55,650 equity shares were allotted as fully paid-up Bonus Shares by capitalising General Reserve, Securities Premium Reserve and Capital Reserve.

Schedule - 2 RESERVES AND SURPLUS			
Capital Reserve			
Balance as per last Balance Sheet	47.80		–
Add : Forfeiture of upfront amount of Convertible Share Warrants	–		47.80
		47.80	47.80
Securities Premium Reserve			
Balance as per last Balance Sheet*	673.48		885.12
Less: Expenses relating to FCCBs/Debenture issue	–		11.64
Less: Transferred to International Business Development Reserves ("IBDR") Account	–		200.00
		673.48	673.48
* Includes ₹ 36.01 crore recoverable from ESOP Trust (Premium on equity shares allotted to the Trust)			
Capital Redemption Reserve			
Balance as per last Balance Sheet		15.05	15.05
Debenture Redemption Reserve			
Balance as per last Balance Sheet	1.74		1.32
Add: Transferred from Profit and Loss Account	10.22		1.17
Less :Transferred to General Reserve	0.56		0.75
		11.40	1.74
International Business Development Reserve ("IBDR") Account			
(Refer Note 4 of Schedule 20)			
Balance as per last Balance Sheet	69.27		–
Add: Transferred from Security Premium Reserve	–		200.00
Less : Adjusted against investment in a subsidiary	10.53		130.73
		58.74	69.27
General Reserve			
Balance as per last Balance Sheet	109.47		77.72
Add : Transferred from Debenture Redemption Reserve	0.56		0.75
Add: Transferred from Profit and Loss Account	30.35		31.00
		140.38	109.47
Employees Stock Option Outstanding			
Balance as per last Balance Sheet	12.00		2.73
Add: Amortisation during the year for Employee Compensation Expense	10.27		9.27
		22.27	12.00
Foreign Currency Translation Reserve		(64.84)	2.89
Balance of the Profit and Loss Account		1,015.50	746.12
Total		1,919.78	1,677.82

Schedules forming part of the Consolidated Balance Sheet

(₹ in crore)

As at	31.03.2010	31.03.2009
Schedule - 3 SECURED LOANS		
A. Debentures	250.00	252.25
B. From Banks:		
a) Cash Credit Accounts		
In ₹	439.66	51.43
In Foreign Currency	3.19	–
b) Term Loans		
In ₹	526.97	508.49
In Foreign Currency	170.86	170.14
C. From Financial Institutions :		
Term Loans		
a) In ₹	51.43	62.86
b) In Foreign Currency	–	6.56
D. Hire Purchase Loans	0.39	0.92
E. From Others	2.76	–
Total	1,445.26	1,052.65

Note: Out of above loans, amount payable within 12 months is ₹ 170.87 crore (previous year ₹ 84.84 crore)

Schedule - 4 UNSECURED LOANS	31.03.2010	31.03.2009
Zero Coupon Foreign Currency Convertible Bonds	1,015.65	1,146.38
From Companies	–	2.04
From Banks	152.56	73.11
From Others	16.87	22.24
Total	1,185.08	1,243.77

Note: Out of above loans, amount payable within 12 months is ₹ 115.34 crore (previous year ₹ Nil).

Schedule - 5 FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)						DEPRECIATION AND AMORTISATION						NET BLOCK	
	As at 01.04.2009	Acquired on Acquisition	Additions	Translation Exchange Difference	On Sales / Adjustments	As at 31.03.2010	Upto 01.04.2009	Acquired on Acquisition	For the year	Translation Exchange Difference	On Sales / Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Tangible Assets														
Land	52.17	–	0.85	(0.79)	0.39	51.84	–	–	–	–	–	–	51.84	52.17
Buildings	250.97	–	46.65	(12.97)	11.68	272.97	57.63	–	11.72	1.31	0.57	70.09	202.88	193.34
Plant & Machinery	1,876.11	–	204.68	(31.35)	13.67	2,035.77	520.31	–	113.65	5.04	13.56	625.44	1,410.33	1,355.80
Furniture, Fixture & Office Equipments	45.32	–	2.07	(3.06)	0.30	44.03	26.74	–	3.85	0.60	0.13	31.06	12.97	18.58
Vehicles	19.43	–	4.32	(0.59)	1.30	21.86	11.72	–	2.56	0.09	0.96	13.41	8.45	7.71
Total Tangible Assets	**2,244.00**	**–**	**258.57**	**(48.76)**	**27.34**	**2,426.47**	**616.40**	**–**	**131.78**	**7.04**	**15.22**	**740.00**	**1,686.47**	**1,627.60**
Intangible Assets (Other than internally generated)														
Technical Know how	15.86	–	–	–	–	15.86	2.99	–	0.84	–	–	3.83	12.03	12.87
ERP Software	20.93	–	3.65	(1.78)	1.13	21.67	9.10	–	3.29	0.28	0.84	11.83	9.84	11.83
Non Compete Fees	4.90	–	–	–	0.03	4.87	1.99	–	1.67	–	–	3.66	1.21	2.91
Goodwill	93.11	–	–	(3.93)	–	89.18	6.15	–	6.88	2.27	–	15.30	73.88	86.96
Total Intangible Assets	**134.80**	**–**	**3.65**	**(5.71)**	**1.16**	**131.58**	**20.23**	**–**	**12.68**	**2.55**	**0.84**	**34.62**	**96.96**	**114.57**
Total Assets	**2,378.80**	**–**	**262.22**	**(54.47)**	**28.50**	**2558.05**	**636.63**	**–**	**144.46**	**9.59**	**16.06**	**774.62**	**1783.43**	**1742.17**
Previous Year	1,721.18	66.56	602.73	2.98	14.65	2,378.80	518.47	14.89	114.39	–	11.12	636.63	1,742.17	
Capital Work in Progress													171.64	237.71

Notes:

1) Cost of land includes ₹ 0.07 crore for land held in a Co-operative Society at Daman. The Company holds 3 Shares of aggregate face value of ₹ 3000/- in the Co-operative Society as per the bye-laws of the Society.

2) Additions to Fixed Assets and Capital work in progress include capitalisation of borrowing costs pertaining to qualifying assets of ₹ 47.68 crore (previous year ₹ 21.42 crore) and ₹ 32.10 crore (previous year ₹ 25.88 crore) respectively.

Schedules forming part of the Consolidated Balance Sheet

(₹ in crore)

	Face Value	As at 31.03.2010		As at 31.03.2009	
	₹	Nos./Units	Amount	Nos./Units	Amount
Schedule - 6 INVESTMENTS (AT COST)					
i) Long Term Investments					
Non- Trade, Quoted					
In Equity Shares (Fully paid up)					
Dena Bank	10	30200	0.09	30200	0.09
In Equity Shares (Fully paid up)					
Trade, Unquoted					
In others :					
Sintex International Ltd.	10	900000	3.00	900000	3.00
BVM Finance Pvt. Ltd.	10	1738000	8.69	1738000	8.69
Non-Trade, Unquoted					
In Debentures :					
Prakausali Investments (I) P. Ltd. - 12.75%	1000000	80	8.00	–	–
Churu Trading Co. P. Ltd. - 11.25%	5000000	10	5.00	–	–
ii) Current Investments					
Non-Trade, Unquoted					
Mutual funds					
Birla Sunlife Dynamic Bond Fund-Retail-Growth	10	17721089	26.54	–	–
Birla Sunlife Short Term Fund-Retail-Growth	10	161725	0.25	–	–
Templeton India Short Term Income Plan Institutional Growth	1000	211876	30.00	–	–
Templeton Floating Rate Income Fund Long Term Plan Institutional Option-Growth	10	21866706	30.00	–	–
LIC Income Plus Fund-Growth Plan	10	8374578	10.00	–	–
LIC Saving Plus Fund-Growth Plan	10	7062745	10.00	–	–
Reliance Regular Saving Fund	10	4147588	5.00	–	–
IDFC Money Manager Fund Investment Inst. Plan B-Growth	10	14122150	20.00	–	–
Religare Credit Opportunities fund-institutional Growth	10	29384694	30.00	–	–
DSP ML Fund Mngr.Ltd. PMS-CPP	1000000	150	15.00	–	–
IDFC Money Manager Fund - Treasury Plan A - Growth	10	206603	0.30	–	–
IDFC Imprerial Equity Fund-Plan A Growth	10	5450	0.01	–	–
HDFC Cash Management Fund-Treasury Advantage Plan-Retail-Growth	10	275055	0.55	–	–
HDFC Top 200 Fund Growth	100	1794	0.03	–	–
HDFC Core and Satellite Fund-Growth	10	1540	0.01	–	–
HDFC Equity Fund Growth	100	235	0.01	–	–
IDFC Imprerial Equity Fund-Plan A Growth	10	13088	0.02	–	–
Reliance Short term fund-Retail plan Growth Plan	10	5798950	10.00	–	–
Fortis short term Income fund-inst. Growth	10	9584328	10.00	–	–
Kotak Bond (short term)-growth	10	5694955	10.00	–	–
Birla Sunlife Short Term Fund Growth	10	–	–	6183427	6.26
Birla Sunlife Short Term Fund-Retail-Growth	10	–	–	605784	0.94
DWS Fixed Term Fund Series 49 Regular Growth	10	–	–	20327837	20.33
ICICI Prudential flexible Income Growth	10	–	–	18553739	30.05
Kotak Flexi Debt Scheme Institutional Growth	10	–	–	15717269	16.71
Reliance Medium Term Fund Growth	10	–	–	5613982	10.14
SBI SHF Ultra Short Term Fund Institutional Plan	10	–	–	8730117	10.00
UTI Treasury Advantage Fund-Institutional Plan	1100	–	–	171715	20.08
DSP Black Rock Fund Managers Limited- PMS	1000000	–	–	300	30.00
ADG Absolute Diversified Growth Fund Limited	USD 100	30100	14.52	50000	25.60
Total			**247.02**		**181.89**
Quoted Investments	Cost		0.09		0.09
	Market Value		0.23		0.10
Unquoted Investments	Cost		24.69		11.69
Mutual Funds	Cost		222.24		170.11
	Repurchase Value		227.32		174.14

Schedules forming part of the Consolidated Balance Sheet

(₹ in crore)

As at		31.03.2010	31.03.2009
Schedule - 7 INVENTORIES			
Stores and Spares		37.53	45.79
Raw Materials		96.63	96.88
Finished Goods		116.07	137.27
Process Stock		90.85	97.16
Total		**341.08**	**377.10**

Schedule - 8 SUNDRY DEBTORS (Unsecured)			
Considered Good		1,012.05	809.39
Considered Doubtful	7.70		7.65
Less : Provision for Doubtful Debts	7.70		7.65
		–	–
Total		**1,012.05**	**809.39**

Schedule - 9 CASH AND BANK BALANCES			
Cash on hand [including cheques on hand ₹ 0.03 crore (previous year Nil)]		0.58	0.21
With Banks :			
In Current Accounts	184.63		128.70
In Fixed Deposits	744.33		1,039.59
[Out of above ₹ 745.08 crore (previous year ₹ 831.85 crore)		928.96	1,168.29
unutilised amount of FCCB issue]			
[Out of above, Fixed Deposits of ₹ 47.91 crore			
(previous year ₹ 157.44 crore) under lien to banks]			
Total		**929.54**	**1,168.50**

Schedule - 10 LOANS AND ADVANCES			
(Unsecured, considered good except stated otherwise)			
Advances recoverable in cash or in kind or for value to be received		766.65	330.47
Loan to Employee Welfare Trust		4.09	4.09
Advance Payment of Tax and Tax Deducted at Source (Net of Provision)		44.44	32.11
Balance with Central Excise Department		0.47	0.92
		815.65	367.59
Considered Doubtful	0.03		0.11
Less : Provision for doubtful loans and advances	0.03		0.11
		–	–
Total		**815.65**	**367.59**

Schedules forming part of the Consolidated Balance Sheet

(₹ in crore)

As at		31.03.2010	31.03.2009
Schedule - 11 CURRENT LIABILITIES AND PROVISIONS			
A. Current Liabilities			
Acceptances	47.87		51.76
Sundry Creditors			
- Due to Micro and Small Enterprises	2.51		0.93
- Others	392.22		503.85
Investor Education and Protection Fund			
- Unclaimed Dividend	0.32		0.31
- Unclaimed Debenture Installment & Interest	–		0.18
(These do not include any amounts due and outstanding to be credited to "Investors Education and Protection Fund")			
Interest accrued but not due	7.81		9.45
		450.73	566.48
B. Provisions			
Provision for Leave Salary	6.23		5.51
Provision for Gratuity	6.34		5.72
Other Provisions	55.93		76.23
Premium payable on redemption of outstanding FCCBs	263.17		263.17
Proposed Dividend	16.38		15.09
Tax on Dividend	2.67		2.56
		350.72	368.28
Total		**801.45**	**934.76**

Schedule - 12 MISCELLANEOUS EXPENDITURE			
(To the extent not written off or adjusted)			
Share Issue Expenses			
Opening Balance	0.21		1.15
Add : Incurred during the year	–		0.12
Less : Amount amortised	0.19	0.02	1.06
Total		**0.02**	**0.21**

Schedules forming part of the Consolidated Profit and Loss Account

(₹ in crore)

For the year ended	31.03.2010	31.03.2009
Schedule - 13 OTHER INCOME		
Interest (Gross)* [Includes Interest from Non Trade Investment - ₹ 0.41 crore (previous year - ₹ NIL)]	30.07	64.51
Dividend	-	1.80
Profit on sale of Fixed Assets (Net)	-	0.17
Profit on sale of Non-trade Investments (Net)	9.65	19.22
Excess Provision for Expenses in earlier years written back	2.25	1.33
Foreign Exchange Gain	48.61	–
Miscellaneous Income	34.79	69.27
*Note: Tax deducted at source from Interest ₹ 3.38 crore (previous year ₹ 6.32 crore)		
Total	**125.37**	**156.30**

Schedules forming part of the Consolidated Profit and Loss Account

(₹ in crore)

For the year ended		31.03.2010	31.03.2009
Schedule - 14 INCREASE/(DECREASE) IN STOCK OF FINISHED AND PROCESS STOCK			
Closing Stock			
Finished goods	116.07		137.27
Process stock	90.85		97.16
		206.92	234.43
Less: Opening Stock			
Finished goods	137.27		116.42
Process stock	97.16		75.39
		234.43	191.81
Opening stock of subsidiaries acquired during the year		–	5.75
Total		(27.51)	36.87

Schedule - 15 RAW MATERIALS CONSUMED		
Cotton, Yarn and other Fibres	64.92	59.35
Plastic Resins, Granules & Powder, etc.	866.81	869.57
Bought-out goods consumed	839.24	723.10
Total	1,770.97	1,652.02

Schedule - 16 EMPLOYEES' EMOLUMENTS		
Payments to and Provisions for Employees :		
Salaries, Wages, Bonus and other payments	336.41	321.50
Contribution to Provident, Superannuation and Gratuity Funds	8.05	7.69
Welfare Expenses	84.17	75.77
Employees Compensation Expenses	10.27	9.27
Total	438.90	414.23

Schedule - 17 MANUFACTURING AND OTHER EXPENSES			
Stores & Spare Parts Consumed		151.71	149.80
Site Development		29.81	15.94
Power & Fuel		97.93	100.75
Rent		26.58	24.75
Repairs:			
Buildings	5.15		1.32
Plants & Machinery	23.10		21.49
Others	3.40		3.46
		31.65	26.27
Excise duty provided on stocks		0.07	(1.01)
Insurance		7.90	8.18
Rates & Taxes		17.40	18.02
Stationery, Printing, Postage, Telegram and Advertisement, etc.		16.62	20.46
Directors' Fees		0.05	0.04
Audit Fees		0.40	0.40
Commission and Brokerage on Sales		33.67	31.82
General Charges		125.04	157.64
Charity & Donation		0.91	0.08
Foreign Exchange Loss		-	28.41
Provision for Doubtful Debts and Advances		0.05	1.63
Bad Debt Written off		3.71	0.24
Loss on sale of Fixed Assets (Net)		0.07	–
Misc. Expenditure Written off		0.19	1.06
Total		543.76	584.48

Schedules forming part of the Consolidated Profit and Loss Account

(₹ in crore)

For the year ended	31.03.2010	31.03.2009
Schedule - 18 INTEREST AND FINANCE CHARGES		
On Debentures, Term Loans and Working Capital Loans	65.45	56.93
Others	7.63	25.02
Total	73.08	81.95

Schedules forming part of the Consolidated Account

Schedule - 19 SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1) Principles of Consolidation:

The consolidated financial statements relate to Sintex Industries Limited ("the Company") and its subsidiary companies. The consolidated financial statements have been prepared on the following basis:

a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses in accordance with Accounting Standard-21 - "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

b) The operations of foreign subsidiaries are not considered as an integral part of the operations of the parent. Hence all revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the "Foreign Currency Translation Reserve".

c) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

d) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to Shareholders of the Company.

e) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separate from liabilities and the equity of the Company's Shareholders.

f) As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate Financial Statements.

g) Investments made by the parent company in subsidiary companies subsequent to the holding-subsidiary relationship coming into existence are eliminated while preparing the consolidated financial statement.

h) Intragroup balances and intragroup transactions are eliminated to the extent of share of the parent Company in full.

i) Unrealised profits on account of intra group transactions have been accounted for depending upon whether the transaction is an upstream or a downstream transaction.

2) Investments other than in subsidiaries are accounted as per Accounting Standard (AS) 13 on "Accounting for Investments".

3) Other significant accounting policies:

These are set out under "Significant Accounting Policies" as given in the Unconsolidated Financial Statements of Sintex Industries Limited.

Schedules forming part of the Consolidated Account

Schedule - 20 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

1) The subsidiary companies considered in the Consolidated Financial Statements are:

Name of Subsidiaries	Country of incorporation	Effective ownership in subsidiaries as at 31.03.2010	31.03.2009
Zeppelin Mobile Systems India Limited	India	100.00%	74.00%
Bright AutoPlast Private Limited	India	100.00%	100.00%
Sintex Infra Projects Limited (w.e.f. 25/11/09)	India	100.00%	-
Sintex Oil and Gas Private Limited (w.e.f. 29/09/09)	India	100.00%	-
Sintex Holdings B.V.	Netherlands	100.00%	100.00%
Sintex France SAS	France	100.00%	100.00%
Sintex Holding USA, Inc.	USA	100.00%	100.00%
Sintex Industries UK Limited	UK	100.00%	100.00%
Sintex Austria B.V.	Netherlands	100.00%	100.00%
Amarange Inc.	British Virgin Island	100.00%	100.00%
Wausaukee Composites, Inc.	USA	81.00%	81.00%
Wausaukee Composites- Owosso, Inc.	USA	81.00%	81.00%
WCI Wind Turbine Components, LLC	USA	81.00%	81.00%
Cuba City Real Estate LLC	USA	81.00%	81.00%
Owosso Real Estate LLC	USA	81.00%	81.00%
Nief Plastic Holding SAS	France	100.00%	100.00%
Nief Plastic SAS	France	100.00%	100.00%
NP Hungaria Kft	Hungary	100.00%	100.00%
NP Nord SAS	France	100.00%	100.00%
NP Slovakia SRO	Slovakia	100.00%	100.00%
NP Savoie SAS	France	100.00%	100.00%
NP Tunisia SARL	Tunisia	100.00%	100.00%
NP Vosges SAS	France	100.00%	100.00%
Segaplast SAS	France	100.00%	100.00%
Segaplast Maroc SA	Morocco	100.00%	100.00%
Siroco SAS	France	100.00%	100.00%
Thermodole SAS	France	100.00%	100.00%
AIP SAS	France	100.00%	100.00%
SIMOP SAS (w.e.f. 05/03/10)	France	100.00%	–
SICMO SAS (w.e.f. 05/03/10)	France	100.00%	–

(₹ in crore)

	2009-10	2008-09
2) Estimated amount of contracts remaining to be executed on capital accounts and not provided for	15.92	15.11
3) **Contingent liabilities in respect of:**		
a) Amount of claim of certain retrenched employees for re-instatement with back wages	Amount not ascertained	Amount not ascertained
b) Corporate Guarantee given to bank/institution	14.88	20.92
c) Performance guarantees given to customers by the bankers	39.65	67.87
d) Disputed demands/claims not acknowledged as debts against which the Company has preferred an appeal		
i) Income Tax	11.89	11.20
ii) Excise Duty	1.47	1.47
iii) Custom Duty	0.28	0.28
iv) Sales Tax	2.21	0.47
v) Others	0.01	0.01

4) The Scheme of Arrangement (the "Scheme") between the Company and its equity shareholders was approved by the Board of Directors vide its resolution dated 30th June, 2008, by the Shareholders in their Court convened meeting held on 15th September, 2008 and by the Honourable High Court of Gujarat vide its order dated 25th March, 2009. The Appointed Date of Scheme was 1st April, 2008. The Company filed the Order with the Registrar of Companies, Gujarat on 14th April, 2009 within the time specified in the order and the Scheme had been

given effect to in the previous year's financial statements. Accordingly, as per the Scheme, from the said date, the Company earmarked ₹ 200.00 crore from Securities Premium Reserve to International Business Development Reserve Account (the "IBDR").

As per the Scheme, the balance of IBDR so earmarked is available towards such expenses as specified under the Scheme. Accordingly, during the year, the Company has adjusted against the earmarked balance of IBDR an amount of of ₹ 10.53 crore (previous year ₹ 130.73 crore) being such specified expenses as per the Scheme. The said accounting treatment has been followed as prescribed under the Scheme and it has no impact on the profit for the year, as per the Scheme.

5) The Company issued Zero Coupon Foreign Currency Convertible Bonds ("FCCBs") aggregating to USD 225 million on 12th March, 2008 for financing foreign currency expenditure for expansion plans in existing businesses, investments in overseas joint ventures and/or wholly owned subsidiaries, international acquisitions and others.

As per the terms & conditions of the Offering Circular dated 12th March, 2008, the Conversion Price of FCCBs is reset at ₹ 493 from ₹ 580 per equity share on 12th March, 2010.

The proceeds of the above issue have been utilised on an overall basis as set out below:

Particulars	USD in million	₹ in crore
FCCB issue expenses directly paid	1.01	4.04
Investment in overseas subsidiary	67.45	295.81

Unutilised FCCB proceeds amounting to ₹ 737.45 crore (previous year ₹ 805.62 crore) have been invested in fixed deposits and ₹ 7.63 crore (previous year ₹ 26.23 crore) has been lying in Current Account with banks at the year end.

6) The Company raised ₹ 589.50 crore (USD 150 million) by issuing 1,25,42,553 Equity Shares of ₹ 2 each to Qualified Institutional Buyers ("QIBs") at a premium of ₹ 468 per share in February, 2008.

The proceeds of above issue have been utilised on an overall basis as set out below:

Particulars	₹ in crore
QIB issue expenses directly paid	10.53
Capital Expenditure (including Capital Work In Progress)	456.47
Repayment of Working Capital	122.50

There is no unutilised QIB proceeds lying with the Company on 31st March, 2010.

7) The foreign subsidiaries have provided depreciation on all the assets on straight line basis over the estimated useful life of the assets. The French subsidiaries have provided the liabilities for the retirement benefits as per the local laws applicable to them. The impact of different accounting policies followed by the subsidiaries, in the opinion of the management, would not be significant in the context of the Consolidated Financial Statements.

8) **The Profit and Loss Account includes:** (₹ in crore)

	2009-10	2008-09
Directors' Remuneration (Holding Company)		
a) Chairman/Vice Chairman Remuneration (Two)		
Salary	0.53	0.53
Commission	2.00	1.60
Contribution to Provident Fund and Superannuation Fund	0.14	0.14
Perquisites in cash or in kind	0.40	0.38
Total	**3.07**	**2.65**
b) Managing Directors' Remuneration (Three)		
Salary	1.12	0.97
Commission	2.50	2.10
Contribution to Provident Fund and Superannuation Fund	0.28	0.26
Perquisites in cash or in kind	0.83	0.72
Total	**4.73**	**4.05**
Grand Total	**7.80**	**6.70**

Schedule - 20 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd..)

9) ESOP

i) The Company initiated "the Sintex Industries Limited Employee Stock Option Scheme, 2006" (the "Scheme") for all eligible employees in pursuance of the special resolution approved by the shareholders in the Extraordinary General Meeting held on 24th February, 2006. The Scheme covers all directors and employees (except promoters or those belong to the promoters' group) of the Company and directors and employees of its subsidiaries. Under the Scheme, the Compensation Committee of the Board (the "Committee") administers the Scheme and grants stock options to eligible directors or employees of the Company and its subsidiaries. The Committee determines the employees eligible for receiving the options and the number of options to be granted subject to overall limit of 10,000 options per annum for each employee. The vesting period is at the expiry of thirty six months from the date of the grant of option. The Committee has decided the exercise price of ₹ 91.70 per equity share as per clause 8.1 of SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

ii) The Company has given loan to Sintex Employees Welfare Trust (ESOP Trust) towards subscribing 10,00,000 equity shares of the Company at ₹ 91.70 per share aggregating to ₹ 9.17 crore. On 21st August, 2006, the Company issued 10,00,000 equity shares of the face value of ₹ 2 each to ESOP Trust at ₹ 91.70 per share.

iii) During the year, the Company granted Nil (previous year 3,36,500) options to eligible employees at ₹ 91.70 per share. The details of outstanding options are as under:

Particulars	2009-10	2008-09
Options outstanding as at beginning of the year	1000000	663500
Add: Options granted during the year	Nil	336500
Less: Options exercised during the year	Nil	Nil
Less: Options forfeited during the year	Nil	Nil
Options outstanding at the end of the year	1000000	1000000

10) Employee Benefits

a) Defined Benefit Plans

i) Actuarial gains and losses in respect of defined benefit plans are recognised in the Profit and Loss Account.

ii) The Defined Benefit Plan comprises of Gratuity and Leave Encashment

Gratuity is a benefit to an employee based on 15 days last drawn basic salary including dearness allowance (if any) for each completed year of continuous service with part thereof in excess of six months.

Leave Encashment is benefit to an employee based on the number of leave days accrued to the credit of employee subject to maximum limit as per the rules of the Company. The same is calculated on the basis of last drawn basic monthly salary including dearness allowance (if any).

(₹ in crore)

	Particulars	2009-10		2008-09	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
i	**Expense recognised in Profit & Loss Account and included in Schedule 16 "Employee Emoluments "**				
	Current Service Cost	1.59	1.15	1.39	0.84
	Interest Cost	1.17	0.44	0.95	0.36
	Expected return on plan assets	(0.86)	–	(0.72)	–
	Net actuarial losses (gains)	0.05	(0.24)	0.72	0.21
	Total Expenses	**1.95**	**1.35**	**2.34**	**1.41**
ii	**Reconciliation of opening and closing balances of changes in present value of the defined benefit obligation:**				
	Opening Balance of defined benefit obligation	14.76	5.51	12.22	4.76
	Acquisition Adjustment	–	–	0.10	–
	Current Service Cost	1.59	1.15	1.39	0.84
	Interest Cost	1.17	0.44	0.95	0.36
	Actuarial losses (gains)	0.06	(0.23)	0.70	0.21
	Liabilities extinguished on settlements	–	–	–	–
	Benefits paid	(0.92)	(0.50)	(0.60)	(0.66)
	Closing Balance of defined benefit obligation	**16.66**	**6.37**	**14.76**	**5.51**

(₹ in crore)

Particulars	2009-10 Gratuity	2009-10 Leave Encashment	2008-09 Gratuity	2008-09 Leave Encashment
iii Reconciliation of opening and closing balances of changes in the fair value of plan assets:				
Opening Balance of plan assets	9.04	–	7.33	–
Acquisition Adjustment	–	–	0.14	–
Expected returns on plan assets	0.86	–	0.72	–
Actuarial gains (losses)	0.01	0.01	(0.02)	–
Assets distributed on settlements	–	–	–	–
Contribution by employer	1.33	0.13	1.47	–
Benefits paid	(0.92)	–	(0.60)	–
Closing Balance of plan assets	**10.32**	**0.14**	**9.04**	**–**
iv **Net Liability recognised in the Balance Sheet**				
Closing Balance of defined benefit obligation	16.66	6.37	14.76	5.51
Closing balance of fair value of plan assets	10.32	0.14	9.04	–
Present value of unfunded obligation recognised as liability	**6.34**	**6.23**	**5.72**	**5.51**
v **Actual return on plan assets**	**0.86**	**–**	**0.71**	**–**

	As at March 31, 2010	As at March 31, 2009
vi Actuarial Assumptions:		
Discount Rate	8.00%	7.75%
Expected rate of return on plan assets	9.00%	9.00%
Expected rate of salary increase	6.00%	6.00%
Mortality	LIC (1994-96) published table of rates	
Withdrawal Rates	Suitable rates based on attained age	
Retirement Age	60 years	
Actuarial Valuation Method	Projected Unit Credit Method	

a) The discount rate is based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated terms of the obligations.

b) Expected Rate of Return on Plan Assets : This is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated terms of the obligation.

c) Salary Escalation Rate : The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

vii The Group has Defined Benefit Plans for Gratuity to its employees, contribution for which are made to Life Insurance Corporation of India who invests the funds as per Insurance Regulatory and Development Authority Guidelines.

viii Past four years' data for defined benefit obligation and fair value of plan is as under:

(₹ in crore)

Particulars	2005-06	2006-07	2007-08	2008-09
Present value of defined benefit obligations at the end of the year (Independent Actuary)	NA	9.38	12.22	14.76
Fair Value of Plan Assets at the end of the year	NA	6.42	7.33	9.04
Net Assets/(Liability) at the end of the year	NA	(2.96)	(4.89)	(5.72)

ix The contribution expected to be made by the Group during the financial year 2010-11 has not been ascertained.

b) **Defined Contribution Plans**

₹ 6.10 crore (previous year ₹ 6.43 crore) recognised as an expense and included in the Schedule 16 of Profit and Loss Account under the head "Contributions to Provident, Superannuation and Gratuity Fund".

Schedule - 20 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd..)

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

(₹ in crore)

Particulars	As at 31.03.2010	As at 31.03.2009
Deferred Tax Liability		
Difference between book and tax depreciation	197.84	166.22
Others	7.15	6.91
Total	**204.99**	**173.13**
Deferred Tax Asset		
Disallowances under Income Tax	(11.26)	(14.45)
Provision for doubtful debts & advances	(0.48)	(0.51)
Unabsorbed Depreciation	(23.94)	(16.21)
Total	**(35.68)**	**(31.17)**
Deferred Tax Liability (Net)	**169.31**	**141.96**

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

Particulars		2009-10	2008-09
Basic Earnings Per Share before Extra Ordinary Items			
Profit attributable to the Shareholders (₹ in crore)	A	329.00	325.12
Weighted average number of Equity Shares outstanding during the year	B	135495433	135495433
Nominal value of Equity Shares (₹)		2.00	2.00
Basic Earnings Per Share (₹)	**A/B**	**24.28**	**24.00**
Diluted Earnings Per Share before Extra Ordinary Items :			
Profit attributable to the Shareholders (₹ in crore)	A	329.00	325.12
Weighted average number of Equity Shares outstanding during the year	B	135495433	135495433
Nominal value of Equity Shares (₹)		2.00	2.00
Diluted Earning Per Share (₹)	**A/B**	**24.28**	**24.00**

	No. of shares	No. of shares
Weighted average number of Equity Shares outstanding during the year for Basic EPS	135495433	135495433
Add : Dilutive potential Equity Shares	–	–
Weighted average number of Equity Shares outstanding during the year for Dilutive EPS	135495433	135495433

13) Related Party Transactions:

a) Names of related parties & description of relationship :

Sr. No.	Nature of Relationship	Name of Related Parties
1	Associate Companies	BVM Finance Private Limited
2	Key Management Personnel	Shri Dinesh B. Patel, Chairman
		Shri Arun P. Patel, Vice Chairman
		Shri Rahul A. Patel, Managing Director
		Shri Amit D. Patel, Managing Director
		Shri S. B. Dangayach, Managing Director

Schedules forming part of the Consolidated Account

Schedule - 20 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd..)

b) Detail of transactions with related parties: (₹ in crore)

Nature of Transactions	Associates Companies		Key Management Personnel		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
I] Volume of transactions:						
A) Managerial Remuneration						
Dinesh B. Patel	–	–	1.53	1.33	1.53	1.33
Arun P. Patel	–	–	1.54	1.33	1.54	1.33
Rahul A. Patel	–	–	1.78	1.44	1.78	1.44
Amit D. Patel	–	–	1.79	1.44	1.79	1.44
S.B.Dangayach	–	–	1.17	1.16	1.17	1.16
II] Balance at the end of the year						
A) Current Liabilities						
Dinesh B. Patel	–	–	1.00	0.80	1.00	0.80
Arun P. Patel	–	–	1.00	0.80	1.00	0.80
Rahul A. Patel	–	–	1.00	0.80	1.00	0.80
Amit D. Patel	–	–	1.00	0.80	1.00	0.80
S.B.Dangayach	–	–	0.50	0.50	0.50	0.50
B) Investments in Equity Shares						
BVM Finance Pvt. Ltd.	8.69	8.69	–	–	8.69	8.69

14) Leases

A) Finance Lease

i) In accordance with Accounting Standard 19 'Leases' issued by the Institute of Chartered Accountants of India, the assets acquired on finance lease are capitalised and a loan liability is recognised. Consequently, depreciation is provided on such assets. Installments paid are allocated to the liability and the interest is charged to the Profit & Loss Account.

ii) a) Assets acquired on Lease Agreements mainly comprise of vehicles. The agreements provide for reimbursement of taxes, levy, etc. imposed by any authorities in future. There are no exceptional / restrictive covenants in the Lease Agreements.

b) The minimum installments and the present value as at 31st March, 2010 of minimum installments in respect of assets acquired under the Lease Agreements are as follows :

(₹ in crore)

Particulars	As at 31.03.2010	As at 31.03.2009
Minimum Installments		
i) Payable not later than 1 year	0.14	0.34
ii) Payable later than 1 year and not later than 5 years	0.30	0.63
iii) Payable later than 5 years	–	0.03
Total minimum installments	0.44	1.00
Less : Future finance charges	0.05	0.08
Present value of minimum installments	0.39	0.92
Present Value of Minimum Installments		
i) Payable not later than 1 year	0.12	0.27
ii) Payable later than 1 year and not later than 5 years	0.27	0.60
iii) Payable later than 5 years	–	0.05
Total present value of minimum installments	0.39	0.92

B) Operating Lease

Lease rentals charged to revenue for lease agreements for the right to use following assets are : (₹ in crore)

Particulars	2009-10	2008-09
Office premises	5.32	4.27
Residential Flats for accommodation of employees	0.27	0.05

The lease agreements are executed for a period ranging between 11 to 96 months with a renewal clause and also provide for termination at will by either party by giving a prior notice.

Schedule - 20 NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS (Contd..)

15) Information about Business Segment

1) Primary Segment Information

(₹ in crore)

	Textiles		Plastics		Unallocated		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
i) **Segment Revenue**	**346.31**	**371.03**	**2972.86**	**2762.14**	**87.84**	**87.01**	**3407.01**	**3220.18**
Less: Inter Segment Revenue	–	–	–	–	–	–	–	–
Net Sales/Income from Operations	**346.31**	**371.03**	**2972.86**	**2762.14**	**87.84**	**87.01**	**3407.01**	**3220.18**
ii) **Segment Result**	25.80	66.44	386.17	381.21	69.44	44.28	481.41	491.93
Less: Unallocated Expenses net of								
Unallocated Income	–	–	–	–	–	–	–	–
Interest Expenses	–	–	–	–	(73.08)	(81.95)	(73.08)	(81.95)
Profit Before Tax	**25.80**	**66.44**	**386.17**	**381.21**	**(3.64)**	**(37.67)**	**408.33**	**409.98**
Current Tax	–	–	–	–	62.14	43.05	62.14	43.05
MAT Credit	–	–	–	–	(18.54)	–	(18.54)	–
Deferred Tax	–	–	–	–	27.35	35.04	27.35	35.04
Fringe Benefit Tax	–	–	–	–	–	2.13	–	2.13
	25.80	**66.44**	**386.17**	**381.21**	**(74.59)**	**(117.89)**	**337.38**	**329.76**
Excess/(Short) Provision for taxation in earlier years (net)	–	–	–	–	(6.26)	(2.39)	(6.26)	(2.39)
Profit After Tax before Minority Interest	25.80	66.44	386.17	381.21	(80.85)	(120.28)	331.12	327.37
Less : Minority Interest	–	–	2.12	2.25	–	–	2.12	2.25
Profit After Tax	25.80	66.44	384.05	378.96	(80.85)	(120.28)	329.00	325.12
iii) **Other Information**								
Segment Assets	751.64	797.01	3111.34	3047.24	1703.96	1260.13	5566.94	5104.38
Segment Liabilities	8.91	47.18	1010.88	1036.40	1309.52	1146.38	2329.31	2229.96
Capital Expenditure	15.10	190.86	78.90	478.25	–	–	94.00	669.11
Depreciation	43.07	37.02	101.39	77.37	–	–	144.46	114.39
Non-cash expenses other than depreciation	–	–	14.22	58.43	–	–	14.22	58.43

2) Secondary Segment Information

(₹ in crore)

	2009-10	2008-09
i) **Segment Revenue - External Turnover**		
- Within India	2386.26	2178.98
- Within Europe	833.36	800.78
- Others	187.39	240.42
Total Revenue	**3407.01**	**3220.18**
ii) **Segment Assets**		
- Within India	4684.57	4130.69
- Within Europe	708.35	777.80
- Others	174.02	195.89
Total Assets	**5566.94**	**5104.38**
iii) **Segment Liability**		
- Within India	2060.78	1848.97
- Within Europe	248.59	326.46
- Others	19.94	54.53
Total Liability	**2329.31**	**2229.96**
iv) **Capital Expenditure**		
- Within India	69.48	572.86
- Within Europe	20.01	90.86
- Others	4.51	5.39
Total Capital Expenditure	**94.00**	**669.11**

Note:

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

Textile - Fabric and Yarn

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

Segments have been identified and reported taking into account the nature of products and services, the differing risks and returns, the organisation structure, and the internal financial reporting systems.

Schedule - 20 NOTES FORMING PART OF ACCOUNTS (Contd..)

b) Segment Revenue in each of the above business segments primarily includes sales, service charges, profit on sale of Fixed Assets (net), miscellaneous sales, Export Incentive and Foreign Exchange Gain etc.

(₹ in crore)

Particulars	2009-10	2008-09
Segment Revenue comprises of:		
Sales	3281.64	3063.88
Other Income	125.37	156.30
Total	**3407.01**	**3220.18**

c) The Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

d) Previous year's figures have been regrouped, wherever necessary.

Signature to Schedule 1 to 20

As per our attached report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Gaurav J. Shah
Partner
Membership No. 35701

Ahmedabad
Date : April 30, 2010

Dinesh B. Patel *Chairman*
Arun P. Patel Vice *Chairman*
Rahul A. Patel *Managing Director*
Amit D. Patel *Managing Director*
S. B. Dangayach *Managing Director*

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

L. M. Rathod
Company Secretary

Ahmedabad
Date : April 30, 2010

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