# DIRECTORS' REPORT

To
The Members,
Sintex-BAPL Limited

Your Board of Directors have pleasure in presenting the 16th Annual Report together with the Audited Financial Statements of the Company for the period ended March 31, 2023.

Members may kindly note that the directors of the reconstituted board were not in office for almost the entire period to which this report primarily pertains. Interim Resolution Professional, Resolution Professional during the Corporate Insolvency Resolution Process ("CIRP") and Monitoring Committee from completion of CIRP until implementation of Resolution Plan, were entrusted with, and responsible for, the management of the affairs of the Company. Pursuant to the implementation of Resolution Plan, the new directors of the Company were appointed w.e.f. March 29, 2023 and new management was put in place.

## CORPORATE INSOLVENCY PROCESS AND APPROVAL OF RESOLUTION PLAN

The Corporate Insolvency Resolution Process (CIRP) was initiated in respect of your Company with effect from December 18, 2020 under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC) by an Order passed by Hon'ble National Company Law Tribunal, Ahmedabad Bench (NCLT). As per section 17 of the IBC, the powers of the Board of Directors of the Company were suspended. Mr. Ketulbhai Ramubhai Patel (IP Registration No. IBBI/IPA-001/IP-P00228/2017-2018/10427) was appointed as Interim Resolution Professional to manage the affairs of the Company in accordance with the provisions of the IBC. In the second meeting of the Committee of Creditors ("CoC") held on July 15, 2022, Mr. Ashish Chhawchharia (Registration no. IBBI/IPA-001-IP-P00294/2017-2018/10538) was recommended as the Resolution Professional of the Company. The Ho'ble NCLT passed an order on August 30, 2022 and received by the Company on September 1, 2022, for appointment of Mr. Ashish Chhawchharia to act as the Resolution Professional of the Company in place of Interim Resolution Professional, Mr. Ketulbhai Ramubhai Patel. Further, the resolution plan dated January 25, 2023 (as amended by the addendum dated January 28, 2023) ("Resolution Plan") submitted by the consortium of Propel Plastic Products Private Limited (The "Implementing Entity") (Resolution Applicant 1) and Welspun BAPL Private Limited (earlier known as Plastauto Private Limited) (Resolution Applicant 2) (together, "Consortium" or "Resolution Applicants") and approved by CoC was submitted by the Resolution Professional before the NCLT for approval. The Resolution Plan was approved by NCLT vide order dated March 17, 2023 ("Resolution Plan Approval Order") under Section 31 of the Insolvency and Bankruptcy Code, 2016. The Resolution Plan so approved, is binding on the Company and its employees, members, creditors, guarantors and other stakeholders involved in it, as per the provisions of the Code. The Resolution Plan Approval Order in accordance with the terms of the Resolution Plan also provided for the constitution of a Monitoring Committee and appointment of Mr. Ashish Chhawchharia as the Monitoring Agent until the Effective Date (defined as a period not more than 90 days from the date of the Resolution Plan Approval Order) to supervise the implementation of the Resolution Plan. On the Effective Date, i.e. March 29, 2023, the Board of the Company was reconstituted.

Upon successful implementation of the Resolution Plan, the following activities have been made in the Company, all of which were effective from March 29, 2023:

a. Reduction/extinguishment of Share Capital of the Company,
b. Increase in authorised share capital and allotment of equity shares to the Implementing entity;
c. Reconstitution of the Board of Directors of the Company;
d. Sale and Transfer of Automotive Business through execution of Business Transfer Agreement;
e. Assignment of debt by financial creditors to the Implementing entity; and
f. Amalgamation of the Resolution Applicant 1 (the Implementing entity) with the Company and consequent allotment of equity shares of the Company to the shareholders of the Implementing Entity.

**FINANCIAL HIGHLIGHTS**

The financial performance of the Company (Standalone) for the period ended 31st March 2023 is summarized below:-

(INR in Crores)

| | **For the period from 27.09.2022 to 31.03.2023[2]** |
|---|---|
| Revenue from operations | 9.00 |
| Other Income | 0.16 |
| Finance Cost | 0.28 |
| Depreciation and amortization expenses | 0.02 |
| Profit/ (Loss) Before Tax and exceptional items | 1.16 |
| **Exceptional items**: | |
| Prior period items | - |
| Exceptional items | - |
| Profit/ (Loss) Before Taxation | 1.16 |
| Tax Expenses | - |
| **Profit / (Loss) After Taxation** | 1.16 |

**Notes:**
1. There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.
2. Pursuant to Resolution Plan approved vide Hon'ble NCLT order dated March 17, 2023, Propel Plastic Products Private Limited reverse merged into Sintex-BAPL Limited with effect from the Appointed Date i.e. March 29, 2023. So, Propel Plastic Products Private Limited became the accounting acquirer while Sintex-BAPL Limited remained as a legal acquirer; accordingly, the

financial statements of Sintex-BAPL Limited have been included from the effective date of March 29, 2023. The comparative financial information of Propel Plastic Products Private Limited as an accounting acquirer (pursuant to the reverse merger as per approved CIRP resolution plan) is not disclosed since Propel Plastic Products Private Limited was incorporated on September 27, 2022 and hence comparative reporting is inapplicable.

**TRANSFER TO RESERVES**

The Board does not propose to transfer any amount to General Reserves.

**DIVIDEND**

With a view to conserve its resources, no dividend on shares of the Company was recommended for the year under review.

**STATE OF COMPANY'S AFFAIRS**

The Company is engaged in developing and delivering high-end custom moulded products and solutions to diverse sectors. The Company's custom moulding operations can be classified into two categories 1) Application-specific standard products catering to diverse sectors, and 2) Customer-specific products primarily catering to the Automotive sector, Mass transit & Electrical sectors.

*Application-specific custom moulded products*: This is the flagship product category, accounting for major portion of the Company's revenue. Under this product category, the Company has developed niche solutions for critical applications that are high on the Government's priority list. In addition, the Company is focused on expanding its presence in India with the Key Account Management process. As a result, new customer addition and strong business relations with existing corporates are also making a significant contribution to business growth.

*Customer-specific custom moulding*: As the name suggests, the Company designs and develops components as per customer specification. While product development and approval take considerable time, once approved customer stickiness is high owing to prohibitive switch-over costs leading to long revenue visibility and high profitability. While the Indian operations are primarily concentrated on developing components for the automobile sector, the team is working on making inroads into the domestic Mass Transit, Electricals business spaces.

**SALE OF AUTOMOTIVE BUSINESS**

As a part of the implementation of Resolution Plan approved vide Hon'ble NCLT order dated March 17, 2023, the Company entered into Business Transfer Agreement with a bidding consortium member on March 29, 2023 for sale and transfer of Automotive Business of the Company including entire equity investment of 70% held in BAPL Rototech Private Limited, Subsidiary of the Company.

**CHANGE IN NATURE OF BUSINESS**

During the year under review, there has been no change in the nature of business of your Company except the sale of Automotive Business pursuant to execution of Business Transfer Agreement as mentioned above as a part of the implementation of approved Resolution Plan.

**SCHEME OF ARRANGEMENT BETWEEN PROPEL PLASTIC PRODUCTS PRIVATE LIMITED AND SINTEX-BAPL LIMITED**

During the year under review, the Hon'ble NCLT vide its order dated March 17, 2023 also sanctioned the Scheme of Arrangement for reverse merger, which was proposed as a part of the approved Resolution Plan, between Propel Plastic Products Private Limited (the "Transferor Company") and Sintex-BAPL Limited (the "Transferee Company") and their respective shareholders and creditors ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and pursuant to the implementation of the Approved Resolution Plan, the Scheme was made effective on March 29, 2023 with effect from the Appointed Date i.e. March 29, 2023. Pursuant to the approved resolution plan, Propel Plastic Products Private Limited reverse merged into Sintex-BAPL Limited with effect from the Appointed Date i.e. March 29, 2023.

Consequent to the merger, the Company has allotted equity shares to the shareholders of Propel Plastic Products Private Limited viz., Welspun Corp Limited in accordance with the share exchange ratio provided in the Scheme under the Approved Resolution Plan. Resultantly, the Company has become the wholly owned subsidiary of Welspun Corp Limited with effect from March 29, 2023

**SCHEME OF AMALGAMATION BETWEEN MAHATVA PLASTIC PRODUCTS & BUILDING MATERIALS PRIVATE LIMITED AND SINTEX-BAPL LIMITED**

During the year under review, your directors decided to submit to the National Company Law Tribunal a scheme of amalgamation between Mahatva Plastic Products & Building Materials Private Limited (the "Transferor Company") and the Company (the "Transferee Company") and their respective shareholders. The key rationale for the Scheme are as under:- 1) The Transferor Company was incorporated inter alia for the purposes of acquisition of the Transferee Company and / or acquisition of the loans / debentures of the Transferee Company. The Transferor Company has completed the acquisition of the debentures and Corporate Insolvency Resolution Process in respect of the Transferee Company is completed, 2) Currently, the Transferor Company and the Transferee Company are held by a common holding company and are part of the same group. The proposed merger will eliminate the inter-company transactions and investments for the group and will help in streamlining the structure (as there is no requirement of the Transferor Company) and making it simple and transparent; and 3) Reducing the multiplicities of legal and regulatory compliances.

The Scheme, inter alia, provides for transfer and vesting of the entire assets and liabilities of the Transferor Company in the Transferee Company with effect from the Appointed Date of opening hours of March 29, 2023.

Upon the coming into effect of the Scheme, the Transferee Company shall without any further application or deed, issue and allot shares as fully paid up to the shareholders of the Transferor Company, whose names appear in the register of members of the Transferor Company as on the Effective Date or to their successors-in-title, as the case may be, in the following manner:

"1 (One) equity share of the Transferee Company of the face value of INR 10 (Rupees Ten Only) each fully paid up, shall be issued and allotted for every 1 equity share of the Transferor Company of the face value of INR 10/- (Rupees Ten Only) each fully paid"

The Scheme is subject to regulatory approvals is expected to be completed during FY 2023-24.

**CHANGES IN SHARE CAPITAL**

As a part of the implementation of the Resolution Plan approved by the Hon'ble NCLT under Section 31 of the Insolvency and Bankruptcy Code, 2016, vide its order dated March 17, 2023, the following changes have taken place in the share capital of your Company during the year under review:

**A. AUTHORISED SHARE CAPITAL**

Pursuant to the implementation of Resolution Plan as approved by Hon'ble NCLT:

1. the authorized share capital of your Company increased from INR 66,10,00,000 divided into 1,61,00,000 Equity Shares of INR 10 each and 50,00,000 Redeemable Cumulative Preference Shares of INR 100 each to INR 67,10,00,000 divided into 1,71,00,000 Equity Shares of INR 10 each and 50,00,000 Redeemable Cumulative Preference Shares of INR 100 each; and

2. thereafter, pursuant to the Scheme of Arrangement, which was proposed as a part of the approved Resolution Plan, between Propel Plastic Products Private Limited (the "Transferor Company") and Sintex-BAPL Limited, the authorized share capital of your Company increased from INR 67,10,00,000 divided into 1,71,00,000 Equity Shares of INR 10 each and 50,00,000 Redeemable Cumulative Preference Shares of INR 100 each to INR 67,45,00,000 divided into 1,74,50,000 Equity Shares of INR 10 each and 50,00,000 Redeemable Cumulative Preference Shares of INR 100 each.

**B. PAID-UP SHARE CAPITAL**

Pursuant to the implementation of Resolution Plan as approved by Hon'ble NCLT:

1. the Company allotted 10,00,000 equity shares of INR 10/- each fully paid up to Propel Plastic Products Private Limited and cancelled the existing issued,

subscribed and paid up share capital comprising of 1,61,00,000 equity shares of INR 10 each and 50,00,000 Redeemable Cumulative Preference Shares of INR 100 each; and

2. subsequently, pursuant to the Scheme of Arrangement, which was proposed as a part of the approved Resolution Plan, between Propel Plastic Products Private Limited (the "Transferor Company") and Sintex-BAPL Limited, the Company allotted 1,13,308 equity shares of INR 10/- each fully paid up to Welspun Corp Limited and cancelled 10,00,000 equity shares of INR 10/- each held by Propel Plastic Products Private Limited.

As on March 31, 2023, paid up share capital of your Company was INR 11,33,080 divided into 1,13,308 equity shares of INR 10/- each.

**DEBENTURES**

**Non-Convertible Debentures**

The Non- Convertible Debentures (NCDs) of the Company aggregating to INR 200 Crores (Scrip code: 954055) which were listed on BSE Limited ("BSE") got delisted vide BSE Notice dated March 28, 2023 w.e.f. March 31, 2023 pursuant to steps taken for implementation of the Resolution Plan and consequent upon the delisting of the NCDs, the Company has become an unlisted Public Company.

All the Non-Convertible Debentures of the Company existing as on CIRP Commencement have got extinguished pursuant to the implementation of Resolution Plan.

**Optionally Convertible Debentures**

Pursuant to the Scheme of Arrangement, which was proposed as a part of the approved Resolution Plan, between Propel Plastic Products Private Limited (the "Transferor Company") and the Company, the Optionally Convertible Debentures (OCDs) worth INR 370,70,10,000 comprising of 3,70,70,100 OCDs of INR 100 each, issued for a tenor of 5 years, carrying coupon rate of 0.01% - discretionary, were transferred to the Company.

Out of the aforementioned OCDs, 40,00,000 OCDs of INR 100 each amounting to INR 40,00,00,000 were repaid during the year under review.

So, as on March 31, 2023, 3,30,70,100 OCDs of INR 100 each amounting to INR 330,70,10,000 are outstanding.

**PERFORMANCE OF SUBSIDIARIES AND JOINT-VENTURES.**

*BAPL Rototech Private Limited*: A Joint Venture Company between Sintex-BAPL Limited (Indian) & Rototech SRL (Italy) ceased to be the Subsidiary/Joint Venture of Sintex-BAPL Limited due to transfer of entire equity investment of 70% held by the Company in BAPL Rototech Private Limited as a part of the the Business Transfer Agreement executed on

March 29, 2023 between the Company and a bidding consortium member pursuant to the Resolution Plan approved vide the Hon'ble NCLT Order dated March 17, 2023.

*Sintex Logistics LLC:* Financial year 2022-23 operations experienced significant challenges on account of demand inconsistency in market operations, combined with significant manpower, cost inflation and production constraints. The Company focused its operations on the key global customer accounts during the year to sustain and grow its business. Significant progress in accelerating the supply of FRP parts for the bulk project was ensured, while retaining excellent focus on quality and customer satisfaction. The Company has successfully built a significant RFQ opportunity pipeline this year which will assist its order book and business growth outlook ahead.

Besides market-facing operations, there was significant focus applied to improve the internal systems and business processes to strengthen the operations. The Company continued to maintain robust relationships with all the customers in US. The Company has plans to expand its client base in the US for FRP, SMC and Pultrusion products.

*Sintex Holdings BV:* The Company mainly acts as a holding and finance Company. The sole shareholder of the Company is Sintex-BAPL Limited. Turnover/Total Income for the period ended March 31, 2023 was Nil and Profit after tax for the period ended March 31, 2023 was Nil.

**CHANGES IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES/WHOLLY-OWNED SUBSIDIARIES**

Your Company had 3 subsidiaries as on March 31, 2022.

During the year under review, as a part of the implementation of Resolution Plan approved by the Hon'ble NCLT vide its order dated March 17, 2023 under section 31 of the Insolvency and Bankruptcy Code, 2016, the Business Transfer Agreement was entered into, by the Company with a bidding consortium member, to sell and transfer automotive business including entire equity investment of 70% held in BAPL Rototech Private Limited, a subsidiary of the Company. Hence, BAPL Rototech Private Limited ceased to be a subsidiary of the Company on and from March 29, 2023.

In view of the above, your Company has 2 subsidiaries as on March 31, 2023.

Pursuant to the provisions of Section 129, 134 and 136 of the Companies Act, 2013 read with rules framed there under, the Company has prepared consolidated financial statements of the Company and its subsidiaries and a separate statement containing details of performance and salient features of financial statement of subsidiaries in Form AOC-1 which forms part of this Annual Report.

**CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

Since the Company does not meet the criterion laid down under Section 135(1) during the immediately preceding previous financial year, the constitution of CSR Committee is not applicable and average net profit of the Company for the immediately three preceding financial years is also negative. Hence, it is not necessary for the Company to spent amount on CSR activities. Accordingly, reporting on CSR activities is not applicable to the Company.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

As of March 31, 2023, your Company's Board had three members comprising of two Non-Executive Directors and one Independent Director.

During the year under review, Ms. Mamta Tripathi (DIN: 08528138) has resigned from the office of Independent Director with effect from November 4, 2022, due to personal reasons and other professional commitments. The Committee of Creditors and the Members of the Company at their meeting held on September 15, 2022 and September 30, 2022 respectively approved the re-appointment of Mr. Bijaya Behera (DIN: 08553621) as Managing Director of the Company for a period of three years w.e.f. November 15, 2022.

Further, as a part of the implementation of the Resolution Plan, the erstwhile board of directors of the Company comprising of Mr. Amit D. Patel (DIN: 00171035), Mr. Rahul A. Patel (DIN: 00171198), Mr. Bijaya Behera (DIN: 08553621) and Mr. Dinesh Khera (DIN: 08384217) were replaced with new board of directors with effect from March 29, 2023. The Board also noted the appointment of Mr. Rajesh Mandawewala (DIN: 00007179) as an Additional Non-Executive Promoter Director, Mr. Arun Todarwal (DIN: 00020916) as an Additional Non-Executive Independent Director and Mr. Yashovardhan Agarwal (DIN: 03201171), as an Additional Non-Executive Promoter Director of the Company, w.e.f. March 29, 2023, as appointed by the Monitoring Committee.

In the opinion of the Board of your Company, Mr. Arun Todarwal possesses requisite expertise, integrity and experience (including proficiency) for appointment as an Independent Director of the Company and fulfills the conditions specified in the Companies Act, 2013, for such an appointment.

The board of directors has recommended the appointment of all the directors in ensuing annual general meeting to members for their approval.

Since, as a part of the implementation of the Resolution Plan, the erstwhile board of directors of the Company were replaced with new board of directors with effect from March 29, 2023, no director will retire by rotation at the ensuing annual general meeting of the Company pursuant to Section 152 and other applicable provisions of the Companies Act, 2013.

Further, the Independent Director has included his name in the data bank of Independent Director maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Company has received declaration from the Independent Director of the Company confirming that he meets with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act.

Mr. Chirag Goenka has been appointed as Chief Financial Officer and Key Managerial Person of the Company w.e.f. 1st April 2023 and in view of the change of control of the Company pursuant to the approval of resolution plan, Mr. Jignesh Raval, Chief Financial Officer of the Company has resigned from the office of Chief Financial Officer and Key Managerial Person of the Company w.e.f. 31st March 2023. Mr. Bijaya Behera ceased to be Managing Director and Key Managerial Person of the Company w.e.f 29th March 2023 due to replacement of the Board as a part of the implementation of the Resolution.

**MEETINGS OF THE BOARD OF DIRECTORS**

Members may kindly note that the directors of the reconstituted board were not in office for almost the entire period to which this report primarily pertains. Interim Resolution Professional and Resolution Professional during the CIRP and Monitoring Committee from completion of CIRP until implementation of Resolution Plan, were entrusted with and responsible for the management of the affairs of the Company. After the re-constitution of Board as a part of the implementation of Resolution Plan of the Company with effect from March 29, 2023, one board meeting was held on March 29, 2023 during the year under review.

**BOARD EVALUATION**

As per section 17 of the Insolvency and Bankruptcy Code, 2016, the powers of the Board of Directors of the Company were suspended during the CIRP with effect from December 18, 2020 and such powers were vested with the Interim Resolution Professional and Resolution Professional. As a part of the implementation of the Resolution Plan approved by the Hon'ble NCLT vide its order March 17, 2023, the erstwhile board of directors of the Company were replaced by the new board of directors with effect from March 29, 2023. Therefore, being appointed at the verge of closure of the financial year, it was not feasible for the new board of directors to carry out the performance evaluation.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Members may kindly note that the directors of the reconstituted board were not in office for almost the entire period to which this report primarily pertains. Interim Resolution Professional, Resolution Professional during the CIRP and Monitoring Agency from completion of CIRP until full implementation of Resolution Plan, were entrusted with and responsible for the management of the affairs of the Company.

As pointed out above, the reconstituted Board of Directors have been in office only since March 29, 2023. The reconstituted Board is submitting this report in compliance with the Act and the Directors, as on date, are not to be considered responsible for the fiduciary duties discharged with respect to the oversight on financial and operational health of the Company and performance of the management for the period prior to March 29, 2023.

Accordingly, as required under section 134(3) (c) read with section 134 (5) of the Act, the board of directors, based on the knowledge/ information gained by them about the actions of the resolution professional/ Monitoring Committee (i.e. who were entrusted with and responsible for the management of the affairs of the Company prior to the March 29, 2023) and the affairs of the Company in a limited period of time, from the records of the Company, state the following:

(a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
(b) that such accounting policies have been selected 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 as at 31st March 2023 and of the profit and loss of the Company for the year ended on that date;
(c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
(d) that the Annual Financial Statements have been prepared on a going concern basis;
(e) that proper internal financial controls were in place and that financial controls were adequate and were operating effectively; and
(f) that proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

**INDEPENDENT DIRECTORS' MEETING**

As per section 17 of the Insolvency and Bankruptcy Code, 2016, the powers of the Board of Directors of the Company were suspended during the CIRP with effect from December 18, 2020 and such powers were vested with the Interim Resolution Professional and Resolution Professional. As a part of the implementation of the Resolution Plan approved by the Hon'ble NCLT vide its order March 17, 2023, the erstwhile board of directors of the Company were replaced by the new board of directors with effect from March 29, 2023 comprising of two Non- Executive Directors and one Independent Director. Hence, it was not feasible to hold meeting of Independent directors during the Financial Year 2022-23.

**INTERNAL FINANCIAL CONTROLS SYSTEM AND THEIR ADEQUACY**

The Company has in place adequate internal financial controls commensurate with the size, scale and complexity of operations.

**RISK MANAGEMENT**

The Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. The process comprising of review of the risks associated with the business of the company, its root causes and the efficacy of the measures taken to mitigate the same.

**AUDITORS AND AUDITORS' REPORT**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. Pipara & Co LLP, Chartered Accountants, (Firm Registration No.

107929W/W100219) hold office as the Statutory Auditors of the Company until the conclusion of the ensuing 18th Annual General Meeting (AGM) to be held in the year 2025.

The Auditors' observations read with Notes to Accounts are self-explanatory and therefore do not call for any comment.

**COST AUDIT REPORT**

M/s. Shah Mehta & Co., Cost Accountants, Ahmedabad (FRN : 001024) is Cost Auditor to audit the cost records of the Company for the financial year 2022-23.

The Board of Directors has appointed M/s. Kiran J. Mehta & Co, Practicing Cost Accountants (Firm Registration No. 000025) as Cost Auditor under Section 148 of the Companies Act, 2013 for the financial year 2023-24.

Your Company has made and maintained the cost accounts and records in accordance with Section 148 of the Act and rules made thereunder.

**SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Chirag Shah & Associates, Practicing Company Secretaries, Ahmedabad to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for Financial year 2022-23 is annexed herewith as 'Annexure A'. There were no qualifications, reservation or adverse remarks given by Secretarial Auditors of the Company.

**SECRETARIAL STANDARDS**

The Company has complied with the applicable secretarial standards during the financial year 2022-23.

**AUDIT COMMITTEE**

Members may kindly note that the directors of the reconstituted board were not in office for almost the entire period to which this report primarily pertains. Interim Resolution Professional and Resolution Professional during the CIRP and Monitoring Committee from completion of CIRP until implementation of Resolution Plan, were entrusted with and responsible for the management of the affairs of the Company. After the re-constitution of Board as a part of the implementation of Resolution Plan of the Company with effect from March 29, 2023, Audit Committee was not required since the Company had become unlisted public Company, being the Wholly Owned Subsidiary of Welspun Corp Limited.

**NOMINATION AND REMUNERATION COMMITTEE**

Members may kindly note that the directors of the reconstituted board were not in office for almost the entire period to which this report primarily pertains. Interim Resolution Professional and Resolution Professional during the CIRP and Monitoring Committee from completion of CIRP until implementation of Resolution Plan, were entrusted with and responsible for the management of the affairs of the Company. After the re-constitution of Board as a part of the implementation of Resolution Plan of the Company with effect from March 29, 2023, Nomination and Remuneration Committee was not required since the Company had become unlisted public Company, being the Wholly Owned Subsidiary of Welspun Corp Limited.

**PARTICULARS OF CONTRACT OR ARRANGEMENT MADE WITH RELATED PARTIES**

The disclosures as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC–2, form part of this Report, as Annexure - B.

**PARTICULAR OF LOANS, GUARANTEES GIVEN OR INVESTMENT MADE BY THE COMPANY**

Details of Loans, Guarantees and Investments, if any, covered under the Companies Act, 2013 are disclosed in the Financial Statements.

The Long-term investments are made only in subsidiaries, joint-ventures and associate companies for business expansion, business transformation as per the object clause in the Memorandum of the Company.

**VIGIL MECHANISAM/ WHISTLE BLOWER POLICY**

The Company has adopted a Vigil Mechanism/ Whistle Blower policy and put in place a mechanism for the directors and employees to report concerns about any unethical and improper activity. It is also affirmed that no personnel has been denied access to the Interim Resolution Professional/Resolution Professional. During the year under review, no complaints were received under Whistle Blower Policy.

**INSURANCE:**

The Company has taken appropriate insurance for all assets against foreseeable perils.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

A statement containing the necessary information required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014, as amended from time to time is annexed herewith as 'Annexure C'.

**ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3) (a) of the Act, the Annual Return as on March 31, 2022 is available on the Company's website [http://sintexbapl.co.in/investor](http://sintexbapl.co.in/investor)

**ORDERS PASSED BY REGULATORS/COURTS/ TRIBUNALS**

The Hon'ble NCLT under Section 31 of the Insolvency and Bankruptcy Code, 2016, vide its order dated March 17, 2023 approved the Resolution Plan submitted by the consortium of Propel Plastic Products Private Limited and Welspun BAPL Private Limited (earlier known as Plastauto Private Limited).

Except above, no other significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**REPORTING OF FRAUDS BY AUDITORS**

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditor have not reported any instances of fraud committed against your Company by its officers or employees to the Interim Resolution Professional/Resolution Professional/ the Board under Section 143(12) of the Act.

**PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as Annexure-D.

**GENERAL**

No disclosure or reporting is required in respect of the following items, as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except ESOPs referred to in this Report.

**THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

The Hon'ble NCLT under Section 31 of the Insolvency and Bankruptcy Code, 2016, vide its order dated March 17, 2023 approved the Resolution Plan submitted by the consortium of Propel Plastic Products Private Limited and Welspun BAPL Private Limited (earlier known as Plastauto Private Limited).

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Internal Complaints Committee in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, the Company has not received any complaint.

## ACKNOWLEDGEMENT

The Company places on record its sincere appreciation and gratitude to the Stakeholders, Customers, Vendors, Financial Institutions, Bankers, Business Partners and Government Authorities for the cooperation and assistant to the Company. Your Company also appreciates the committed services by the Company's executives, staff and workers.

For and on behalf of Board of Directors

| | |
|---|---|
| Sd/- | Sd/- |
| **Rajesh Mandawewala** | **Yashovardhan Agarwal** |
| Director | Director |
| (DIN: 00007179) | (DIN: 03201171) |

Place: Mumbai
Date: May 25, 2023

**CHIRAG SHAH & ASSOCIATES**
Company Secretaries
1213, Ganesh Glory, Nr. Jagatpur Crossing,
Besides Ganesh Genesis,
Off. S.G. Highway, Ahmedabad - 382 481.
Ph.: 079-40020304, 6358790040/41/42
E-mail : chi118_min@yahoo.com

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel Rules, 2014]

To,
The Members,
**SINTEX-BAPL LIMITED.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SINTEX-BAPL LIMITED (CIN: U25199GJ2007PLC051364)** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We draw your attention that the Hon'ble National Company Law Tribunal, Ahmedabad Bench ["NCLT"] Bench, has admitted petition for initiation of Corporate Insolvency Resolution Process ("CIRP") u/s 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code") vide order dated 18th December, 2020. Further, on 17th March 2023, Hon'ble National Company Law Tribunal has approved the resolution plan submitted by the consortium of Propel Plastic Products Private Limited and Welspun BAPL Private Limited (formerly known as Plastauto Private Limited) which become effective from March 29, 2023. In view of this, our verification and/or examination of the Board process and compliance, Secretarial Standards as well as related relevant Minutes Books, Papers and documents etc. remained restricted during the period of 1st April, 2022 to 17th March, 2023 and wherever applicable herein after in this Secretarial Audit Report.

Based on our verification of books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

CHIRAG SHAH & ASSOCIATES
C.P. 21737
COMPANY SECRETARIES

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder: Not Applicable to the company during the Audit period;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:- Not Applicable to the Company during the Audit Period;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018:- Not Applicable to the Company during the Audit Period;

(d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:-Not Applicable to the Company during the Audit Period;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021:-

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021:-Not Applicable to the Company during the Audit Period;

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018:-Not Applicable to the Company during the Audit Period;

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: Applicable with respect to Listed Debt Securities.

(vi) The following specifically other applicable laws to the Company:

Not Applicable – as the Company is not engaged into a specific having separate legislative compliances.

CHIRAG SHAH & ASSOCIATES
C.P. 12787
COMPANY SECRETARIES

We have also examined compliance with the applicable clauses of the following:

a. Secretarial Standards issued by The Institute of Company Secretaries of India;

b. The Listing Agreements entered into by the Company with Stock Exchange(s): Applicable with respect to Listed Debt Securities.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

**We further report that,** Non-Convertible Debenture of Rs. 200 Crore were voluntarily delisted from BSE Limited w.e.f 31st March, 2023 in accordance with the resolution plan and consequent upon the delisting of NCDs the Company has become an unlisted Public Company.

The Hon'ble National Company Law Tribunal, Ahmedabad Bench ["NCLT"] Bench, has admitted petition for initiation of Corporate Insolvency Resolution Process ("CIRP") u/s 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code") vide order dated 18th December, 2020. After that all the decisions to manage the affairs of the Company were carried out by Interim Resolution Professional/ Resolution Professional and as informed, there were no dissenting views and hence not recorded as part of the minutes. These functions were performed by the Interim Resolution Professional/ Resolution Professional only to the limited extent of discharging the powers of the Board of Directors of the Company (suspended during CIRP) which had been conferred upon him in terms of provisions of Section 17 of the Code till the approval the resolution plan.

Since the powers of the Board of Directors were suspended pursuant to Corporate Insolvency Resolution Process (CIRP) initiated in respect of the Company under the provisions of the Insolvency and Bankruptcy Code, 2016 ("the Code") with effect from 18th December, 2020 up to 29th March, 2023, therefore, no board meetings were conducted by the Board of Directors from 18th December, 2020 to 29th March, 2023. The said powers were exercised by the Resolution Professional till the approval of resolution plan and subsequently delegated to the Monitoring Committee pursuant to Ho'ble NCLT Order dated March 17, 2023. The Implementation Process of Resolution Plan stood completed and the new Board of Directors got appointed, the Monitoring Committee stood dissolved w.e.f. 29.03.2023.

**We further report that,** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

CHIRAG SHAH & ASSO. C.P. 21737 COMPANY SECRETARIES

**We further report that,** Pursuant to the implementation of resolution plan submitted by the consortium of Propel Plastic Products Private Limited and Plastauto Private Limited and approved by Hon'ble National Company Law Tribunal on 17th March 2023, Sintex-BAPL Limited has become a wholly owned subsidiary of Welspun Corp Limited on 29th March 2023.

**We further report that,** Pursuant to the resolution plan approved by Hon'ble National Company Law Tribunal on 17th March 2023, -

- Entire Paid-up Capital of the Company were cancelled and extinguished and 10,00,000 equity shares of Rs. 10/- each were issued to Propel Plastic Products Private Limited being the implementing entity.

- Propel Plastic Products Private Limited ("Propel") (wholly owned subsidiary of Welspun Corp Limited) being the implementing entity, agreed to pay a consideration of Rs. 406.43 crores to acquire 100% shareholding of the Company.

- Propel Plastic Products Private Limited was amalgamated with the Company by way of reverse merger through the scheme of arrangement ("Scheme") forming a part of the resolution plan as approved by Hon'ble NCLT vide the order dated 17th March 2023.

  Further, Pursuant to the aforesaid Scheme Company has allotted 1,13,308 Equity Shares of Rs. 10/- each to the shareholders of Propel as a consideration i.e Welspun Corp Limited.

- On 29th March 2023, the resolution plan stood implemented and the new Board of Directors stood constituted.

- The Company entered into Business Transfer Agreement with a bidding consortium member on March 29, 2023 for sale and transfer of Automotive Business of the Company including entire equity investment of 70% held in BAPL Rototech Private Limited, Subsidiary of the Company.

**We further report that** pursuant to the Scheme of Arrangement, which was proposed as a part of the approved Resolution Plan, between Propel Plastic Products Private Limited (the "Transferor Company") and the Company, the Optionally Convertible Debentures (OCDs) worth INR 370,70,10,000 comprising of 3,70,70,100 OCDs of INR 100 each, issued for a tenor of 5 years, carrying coupon rate of 0.01% - discretionary, were transferred to the Company. Out of the aforementioned OCDs, 40,00,000 OCDs of INR 100 each amounting to INR 40,00,00,000 were repaid during the year under review. So, as on March 31, 2023, 3,30,70,100 OCDs of INR 100 each amounting to INR 330,70,10,000 are outstanding.

CHIRAG SHAH & ASSOCIATES
C.P. 21737
COMPANY SECRETARIES

We further report that, the Board of Director has approved the Draft Scheme of Amalgamation of Mahatva Plastic Products & Building material Private limited with the Company on 29th March 2023 with the Appointed Date of 29th March 2023..

**For, Chirag Shah & Associates**

CHIRAG SHAH & ASSOCIATES C.P. 21737 COMPANY SECRETARIES

**CS Dhwani Rana**
**Partner**
**FCS No. 12523**
**C P No.: 21737**
**UDIN: F012523E000368582**
**Peer Review Cert. No.- 704/2020**

**Date: 25th May, 2023**
**Place: Ahmedabad**

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

**'Annexure A'**

To,
The Members
**SINTEX-BAPL LIMITED.**
Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3. We believe that audit evidence and information obtain from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For, Chirag Shah & Associates**

CHIRAG SHAH & ASSOCIATES C.P. 21737 COMPANY SECRETARIES

**CS Dhwani Rana**
**Partner**
**FCS No. 12523**
**C P No.: 21737**
**UDIN: F012523E000368582**
**Peer Review Cert. No.- 704/2020**

**Date: 25th May, 2023**
**Place: Ahmedabad**

# Annexure-B

## Form No. AOC-2

**{Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014}**

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto:

**1. Details of contracts or arrangements or transactions not at arm's length basis**:

The Company has not entered into any contract or arrangement or transaction with its related parties which is/are not at arm's length during financial year 2022-23.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

a. **Name(s) of the related party and nature of relationship**:
*Name of the related party*: Welspun BAPL Private Limited (formerly known as Plastauto Private Limited) and *Nature of relationship*: Other related party.

b. **Nature of contracts / arrangements / transactions:**
Business Transfer Agreement.

c. **Duration of the contracts / arrangements / transactions:**
One-time agreement.

d. **Salient terms of the contracts or arrangements or transactions including the value, if any:**
Pursuant to implementation of approved resolution plan, Business Transfer Agreement for Sale of Automotive Business was executed for a consideration of INR 110 Crores.

e. **Date(s) of approval by the Board, if any:**
29.03.2023.

f. **Amount paid as advances, if any:**
Nil

For and on behalf of Board of Directors

| Sd/- | Sd/- |
|---|---|
| **Rajesh Mandawewala** | **Yashovardhan Agarwal** |
| Director | Director |
| (DIN: 00007179) | (DIN: 03201171) |

Place: Mumbai
Date: May 25, 2023

# ANNEXURE – C

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2023 is given here below and forms part of the Directors' Report.

### (A) CONSERVATION OF ENERGY –

**1) The steps taken or impact on conservation of energy:**

❖ **Kalol Plant:-**

- Reduction in Power KVA contract demand at Kalol from 2880 KVA to 2000 KVA which resulted in saving of Rs. 49.07 Lakh/Year.
- Modified and developed Cycle time to reduce which resulted in saving of electrical energy, cost and increased the productivity from 72 to 75 nos. of product pieces in SMC Department, resulting into saving of Rs. 36 Lakh/Year.

- Reduced Energy loss at SMC compression moulds in SMC Department by providing a covering of Bakelite hilum sheets, resulting into saving of Rs. 0.31 Lakh/Year.
- Ensured installation of only energy efficient motors & pumps, LED lighting and inverter based air conditioning system in all new installation.
- Develop, Modified & Installed VFD in cooling system of centralise Air Compressors in Kalol Utility and saving the energy of 100.7 KWH per Day and saving of approx. Rs. 2.66 Lakh/Year.
- STP water is generated 52 KL per day and reused this water for gardening purpose.
- R.O. rejection water is feed to STP per day approx. 42 KL per day.

❖ **Namakkal Plant:-**

- Reduction in Power KVA contract demand from 1500 KVA to 1100 KVA, which resulted in saving of Rs. 5.94 Lakh/Year.

❖ **Sohna Plant:-**

- Energy cost saving by improving Power factor through installation of appropriate rating Capacitor 0.96 to 0.98~0.99.
- By Maintaining 3 days FG stock, it was decided & implemented- NOT TO Use 750 KVA DG sets in case of any power cuts. This Resulted in savings of Rs. 30 Lakh/Year.
- Reduction in wastages of Plastic material by reducing Flashes in Bumper Rear Swift & Front Fender R/L- YRA through welding matching/correction in molds. This Resulted in savings of Rs. 22.8 Lakh/Year.
- Power cost saving by increasing productivity in Cooler Molds i.e. Reduction in cycle time by 30 secs through increasing hydraulic pump capacity in Injection Molding Machine. This Resulted in savings of Rs. 19.2 Lakh/Year.
- Power cost saving in cooling tower by looping the cooling lines of IMG-1 &IMG-2, which resulted in saving of Rs. 8.28 Lakh/Year.

❖ **Pithampur Plant:-**

- Optimum utilization of compressor in blow moulding & assembly, running two compressors instead of three compressors on Sunday, resulting in saving of Rs. 0.6 Lakh/Year.
- 15 Hp Pump run on Sunday instead of 25 Hp Pump to run Blow moulding machine resulted in saving of Rs. 0.3 Lakh/Year.
- Outsourcing of BMM Part Recovery Tank led to savings of Rs. 3.36 Lakh/Year.

**2) The steps taken by the company for utilizing alternate sources of energy;**

- Installed Drip system in the garden for effective water saving.
- Using RO plant rejection collection water for gardening.
- STP treated water reusing for garden..
- Use of Natural Light by installing the transparent roofing sheet for day time in Plants.

**3) The capital investment on energy conservation equipment: Nil**

**(B) TECHNOLOGY ABSORPTION –**

**1) The efforts made towards technology absorption:**

❖ **Kalol Plant:**

- Reduction in RM Cost by 5% in Water Tank (Mainly Roto) by developing alternate Grade, OG and alternate development. By this modification, three was savings of Rs.282 Lakh/Year.
- Reduction in RM cost by 5% in PS Department trough alternate vendor / material / recipe fine tuning and reduce invisible loss. This resulted in an savings of Rs.26.20 Lakh/Yeas.
- Reduction in RM cost in PS Department by figuring out new alternate vendor. This resulted in Savings of Rs.3.50 Lakh/Year.
- Fine tuning of recipe and change in recipe parameters in PS Department, resulting into savings of Rs. 7.08 Lakh/Year.
- Development of process for reduction in ink consumption in PS Lamination Department. By this development; there was savings of Rs. 10.00 Lakh/Year.
- Developed & modified the process in PS Department which resulted into reduction in invisible loss of below 4%. By this modification, there was savings of Rs. 5.62 Lakh/Year.
- Increased the use of low cost 2400 Tex roving of Jushi / Goa glass in SMC Department to 80% from 70% earlier, which resulted into savings of Rs.111.32 Lakh/Year.
- Reduced RM Cost by weight reduction in Bottom panel by new design of Separate dome shape bottom panel in SMC Panel Tank of SMC Department. By this modification, there was savings of Rs. 14.47 Lakh/Year.
- Reuse of empty resin drums for supply of new resin in SMC production department which reduced wastage of resin and savings of Rs. 10.74 Lakh/Year.
- Modification of design and Introduction of Fan type panel against regular 1 x 1 mtr side panel in SMC Panel Tank of SMC Department led to reduction of RM usage and savings of Rs.1.97 Lakh/Year.
- Developed and adjusted the viscosity by coarser filler in the process resulting into Reduction of extra polystyrene usage in SMC process in SMC department and by this there was savings of Rs.3.80 Lakh/Year.

- Modified design of SMC panel tank assembly by removing vertical post & Tie Rods and all 04 corners in SMC Panel Tank, (i.e. 08 nos. vertical post and 04 nos. tie rods) which resulted in reduction of RM consumption. This modification resulted in saving of Rs. 88.76 Lakh/Year.
- Usage of Terephthalic resin against Iso phthalic resin in SMC Sheets for making of Chequered plates & Dryer trays in SMC department. This resulted in savings of Rs.0.06 Lakh/Year.
- Figuring out of alternate vendor by Purchase department which resulted into cost reduction in Aluminum Foil, Heat Shield, Roving and other accessories. By this development, there was savings of Rs.83.82 Lakh/Year.
- Develop and Modified the process which resulted in Productivity improvement in Single Wall from 6 shells to 7 shells per Day in FRP Department and also resulted in waste reduction from 3.28% to 2.25%. This resulted in savings of Rs. 1.80 Lakh/Year.
- Developed And modified chop spray guard which is converting the reduction of waste and material saving in FRP Department, which resulted into savings of Rs.1.51 Lakh/ Year.
- Alternate RM of netting for shell Moulding in FRP Department which is converting In Lower cost and reduce the procuring time. Resulting into the saving of Rs. 21 Lakh/Year.
- Developed & Upgraded Existing anti-bacterial technology with the anti-microbial technology in Roto Molding Department. By this, it reduces the generation of bacteria, algae, fungus, and virus with standard test protocols to improve health & hygiene features of premium product water tank.
- Modified & Calibration of chop, sand & resin in the process of FRP dept. which resulted in reduced resin consumption of 5 Kg./ shell. By this modification, there was savings of Rs.3.6 lakh/Year.
- Modified & Developed process of chop spray gun operation for preparation of End cap In FRP dept. By this we reduced the trimming waste and resulted in savings of Rs.1.84 Lakh/Year.
- Modified operation of chop spray and developed chop spray guard in FRP department for manufacturing the tank shell. Resulting in reduced waste and savings of Rs.19.2 Lakh/Year.
- Developed and introduce proper mesh size for sieving in powder mill of Roto Moulding department. It is resulting the increasing the productivity of 1 kg/min.
- Developed the mould frames for high productivity Reinhardt Biaxial machines instead of R&R machine in Roto Moulding department. This resulted in savings in downtime, rejection, gas & energy efficiency.
- Introduced electroplating to refurnish die surface, this reduced the rejection and give the mirror finish product in PS Department. This resulted in savings of Rs. 10.61 Lakh/Year.
- Developed a New texture finish product of new furniture grade section of 16"and 21" in P.S. Department.
- Modified and developed the process of cut to length PVC door In PS Department. Introduced the PLC base based cutting system on extruder machine for accurate cutting length. This reduced the rejection and resulted in saving of Rs. 6.4 Lakh/Year.
- NABL accreditation of QC LAB with revised NABL standard.
- Got the WRAS UK certification for SMC Panel tank.
- In process rejection Reduces in all departments.@ 20%
- 98 % FTR achievement in FRP Production.
- Improvement in process audit. Achieved @80 % score.

❖ **Nalagarh Plant**

- Improved the productivity by reconditioning of screw barrel. This resulted in saving of Rs. 2.75 Lakh/Year.
- Modified cradle/ring of R&R machine in existing molds and resulting in improving the Productivity. This resulted in saving of Rs.19.67 Lakh/Year.

❖ **Sohna Plant:**

- Reduction in Inhouse Rejection of Front Fender R/L-YE3 through rectification in mould, This resulted in savings of 3.4 Lakh/Year.

❖ **Hosur Plant:**

- Manpower reduction in Fuel Tank drilling operation by combining three Drilling operation into single SPM Machine. This resulted in savings of 3.12 Lakh/Year.
- Reduction in the part weight in IMG through process optimization in "Air Guard", This resulted into savings of 2.75 Lakh/Year.

❖ **Chennai -2A:**

- Cycle time Reduction of 4DR C-Rampc by process optimization . This resulted in savings of 0.48 Lakh/Year.

❖ **Chennai-1:**

- Induction motor replaced with servo motor in M/C 250.which reduced the energy consumption resulting into savings of 10 Lakh/Year.
- Auto cut off controller installed in machine heater nozzle in order to avoid the process rejection, which resulted into annual savings of 2.9 Lakh/Year.

**2) The benefits derived like product improvement, cost reduction, product development or import substitution**

The company did major cost reduction efforts on input materials and services leading to savings. This could be achieved partly by rationalizing vendor base and product spread and partly through localization activities.

**3) Information regarding imported technology (imported during the last three years reckoned from the beginning of the financial year):**

NOT APPLICABLE

**4) Expenditure incurred on Research and Development. :**

| **R&D Cost from April' 2022 to March' 2023** | | |
|---|---|---|
| Sr. No. | Particulars | Cost (INR.) |
| 1 | Salary | 63,83,509 |
| 2 | Trial & Validation in Roto , Blow Moulding & PS,SMC,FRP | 7,26,278 |
| 3 | New Product Development | 18,79,860 |
| 4 | New Instrument , Software | 0 |
| | **Total** | **89,89,647** |

❖ **Kalol Plant:-**

- SMC Panel tank 4 meter option designed and validated through FEA to cater business requirement.
- Designed & developed SMC Panel tank (up to 200 KL and 2mtr.) without corner vertical support for cost effectiveness.
- Upgraded packaged sewage treatment plant with better output and more than 95% system efficiency.
- Product up gradation done in Reno tanks from two layers to three layers.
- Validated external bacterial treatment process to resolve customer complaint for sewage treatment plants.
- Design of SMC meter box (GSMB3923&2520) improved for door opening and suitability for multi-use.
- Various initiatives taken for formulation development and alternate raw material grade which resulted in cost savings of INR 1.70 Cr.

- Introduced & developed new mold of Roto mould & SMC manufacturing. Details are as under.
  - 1. Roto mold manufactured 15 Nos---Cost- 35,67,140
  - 2. SMC Mould Manufactured 01 Nos---Cost- 67,96,800
  - Total New mold manufacturing cost-- 1,03,63,940

❖ **Pithampur Plant**

- Replacement of PVC fills on cooling Tower, resulted in improving inlet water temperature for hydraulic cooling.
- High Consumption RM alternate development of BMM resulted into INR 24.0 lakh/Year & gives recurring benefit.
- Expansion of Fire Hydrant System in FG stores & Assembly shop to improve adherence of legal compliance & safety requirements.

**(C) FOREIGN EXCHANGE EARNING AND OUTGO**

**(Rs in Crs)**

| **Description** | **2022-23** | **2021-22** |
|---|---|---|
| Foreign Exchange Earned in terms of Actual Inflows | **30.35** | **45.23** |
| Foreign Exchange Used in terms of Actual outflows | **125.84** | **2.50** |

For and on behalf of Board of Directors

| Sd/- | Sd/- |
|---|---|
| **Rajesh Mandawewala** | **Yashovardhan Agarwal** |
| Director | Director |
| (DIN: 00007179) | (DIN: 03201171) |

Place: Mumbai
Date: May 25, 2023

# Sintex-BAPL Limited

## Annexure D

## STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) and (3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR FINANCIAL YEAR 2022-23

| Sr. No. | Employee name | Designation | Nature of employment | Remuneration per annum (in INR) FY 22-23 | Qualification & Experience (In Years) | Date of Commencement of employment | Age (Years) | Last Employed | %of equity shares held in the Company | Relative of Director/ Manager of the Company |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Samir Joshipura | Chief Executive Officer | Permanent | 2,64,16,083 | B.E., MBA, 25 years | 23-06-2015 | 47 | Trident Group | Nil | No |
| 2 | Hiren Merchant | President | Permanent | 1,34,81,975 | Electronics & Telecommunication Engineering, Master in Management Studies, 33 years | 01-02-2017 | 58 | IFB Industries Limited | Nil | No |
| 3 | Rajnish Kumar Gera | Chief Operating Officer | Permanent | 1,27,76,046 | B.E., Certified B.O.E., 29 years | 03-03-2017 | 50 | Trident Group | Nil | No |
| 4 | Srinivas Sapher* | Chief Marketing Officer | Permanent | 54,17,244 | B.SC, Post Graduate Diploma in Business Management, Post Graduate Diploma In International Business, Senior Management | 26-09-2022 | 50 | Sisecam Flat Glass India Private Limited | Nil | No |

# Sintex-BAPL Limited

| Sr. No. | Employee name | Designation | Nature of employment | Remuneration per annum (in INR) FY 22-23 | Qualification & Experience (In Years) | Date of Commencement of employment | Age (Years) | Last Employed | %of equity shares held in the Company | Relative of Director/ Manager of the Company |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Program (IIM), 26 years | | | | | |
| 5 | Chetan Joshi | President | Permanent | 1,14,35,562 | C.A., 19 years | 01-07-2010 | 42 | Fabtech International Limited | Nil | No |
| 6 | Manven Dubey | Chief Operating Officer | Permanent | 1,02,72,218 | B.E. Textile, M. Text Engineering, Diploma in finance, 37 years | 28-07-1999 | 59 | Ashima Spinfab | Nil | No |
| 7 | Rajesh Hudda | Vice President | Permanent | 77,74,515 | B.E. Electrical, Post-Graduate Diploma in Marketing Management, 31 years | 04-09-2018 | 52 | Hitachi Group | Nil | No |
| 8 | Umeshkumar Jha | Vice President | Permanent | 58,28,947 | B.Sc., Post Graduate Diploma in Computer Application, 31 years | 29-10-1991 | 55 | - | Nil | No |
| 9 | Pankaj Mehrotra | Assistant Vice President | Permanent | 45,65,997 | Diploma In Electrical & B.A, 31 years | 28-06-2018 | 51 | Videocon Industries Limited | Nil | No |
| 10 | Nandkishor Vakare | Assistant Vice President | Permanent | 42,45,353 | Diploma in Automobile Engineering, 20 Years | 06-06-2019 | 46 | Mutual Automotive Private Limited | Nil | No |

## Sintex-BAPL Limited

| Sr. No. | Employee name | Designation | Nature of employment | Remuneration per annum (in INR) FY 22-23 | Qualification & Experience (In Years) | Date of Commencement of employment | Age (Years) | Last Employed | %of equity shares held in the Company | Relative of Director/ Manager of the Company |
|---|---|---|---|---|---|---|---|---|---|---|
| **11** | Pradeep Madhukar Sheshadri | Vice President | Permanent | 41,50,728 | B.Tech (Mechanical Engg.), Post Diploma Production Technology – 31 Years | 18-01-2018 | 58 | Varroc Group | Nil | No |
| **12** | Rohit Ranjan | Vice President | Permanent | 40,68,385 | Post Graduate Diploma in Business Management, 34 years | 10-01-2018 | 56 | Tata Bluescope Steel Limited | Nil | No |

* *Employed for a part of the year.*

For and on behalf of Board of Directors

| | |
|---|---|
| Sd/- | Sd/- |
| **Rajesh Mandawewala** | **Yashovardhan Agarwal** |
| Director | Director |
| (DIN: 00007179) | (DIN: 03201171) |

Place: Mumbai
Date: May 25, 2023

## Independent Auditor's Report on Standalone Financial Statements of Sintex-BAPL Limited for the financial year ended 31.03.2023

To
The Members of
Sintex-BAPL Limited
(CIN: U25199GJ2007PLC051364)

### Opinion

We have audited the accompanying Standalone Financial Statements of **Sintex BAPL Limited** ("the Company"), which comprise the Balance Sheet as at **31st March, 2023,** the Statement of Profit & Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31st March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year then ended.

### Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

**Emphasis of Matter**

We draw attention to Note 1 & Note 45 of the Standalone Financial Statements, wherein petition for initiation of Corporate Insolvency Resolution Process under Section 9 of the Insolvency and Bankruptcy Code, 2016 filed by operational creditor had been admitted against the company vide Hon'ble National Company Law Tribunal Ahmedabad bench's order dated 18.12.2020. Hon'ble National Company Law Tribunal, Ahmedabad Bench, approved the resolution plan under Insolvency and Bankruptcy code ("IBC"). As per the approved resolution plan, Propel Plastic Products Private Limited ("Propel") (wholly owned subsidiary of Welspun Corp. Limited) being the implementing entity, agreed to pay a consideration of Rs. 406.43 crores to acquire 100% shareholding of the Company and its plastic business by way of reverse merger of Propel with the Company, by way of the scheme of arrangement ("Scheme") approved by Hon'ble NCLT. As per the scheme, Propel merged into and with the Company as an amalgamation.

As per approved CIRP resolution plan, Propel became the accounting acquirer while Sintex-BAPL Limited remained as a legal acquirer; pursuantly the financial statements of Sintex-BAPL Limited have been included from the effective date of March 29, 2023. The comparative financial information of Propel Plastic Products Private Limited as an accounting acquirer (pursuant to the reverse merger as per approved CIRP resolution plan) is not disclosed since Propel was incorporated on September 27, 2022 and hence comparative reporting is inapplicable. The accompanying financial statements reflect the assets and liabilities of Propel measured at their pre-acquisition carrying value and Sintex-BAPL Limited's acquisition date fair value of the identified assets acquired and liabilities taken over, in accordance with Ind AS 103.

On March 29, 2023, the resolution plan stood implemented and the new Board of Directors stood constituted.

Our opinion is not modified in respect of these matters.

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

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Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and is free from material misstatement, whether due to fraud or error.

The Standalone Financial Statements are the responsibility of the Company's Management. The Audited Standalone Financial Statements for the year ended 31st March, 2023 have been prepared by the Management of the Company and signed by Mr. Rajesh Mandawewala -Director, Mr. Yashovardhan Agarwal -Director, Mr. Chirag Goenka - Chief Financial Officer & Mr. Yash Sheth - Company Secretary.

In preparing the standalone financial statements, the respective management and Board of Directors are responsible for assessing the Company's ability to continue as a going

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concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material

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uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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Further to our comments in Annexure A, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid standalone financial statements;

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 standalone financial statement dealt with by this report are in agreement with the books of account;

d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164(2) of the Act;

f) We have also audited the internal financial controls with reference to the standalone financial statements of the Company as on 31st March, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report of even date as per Annexure B expressed unmodified opinion; and

g) As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limit laid down under Section 197 read with Schedule V of the Act, as per shareholders approvals taken prior to the event of default.

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

    i. the Company has disclosed the impact of pending litigations on its financial position as at 31st March 2023 in the standalone financial statements, (Refer Note 36 to the standalone financial statement)

    ii. The Company has made provision as at 31st March 2023, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

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iv.

(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. There was no proposal of Dividend (Interim or Final) during the current financial year as well as during the previous financial year.

**For Pipara & Co LLP**
Chartered Accountants
FRN: 107929W/W100219

**Date: 25-05-2023**

**Place: Ahmedabad**

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Naman Pipara

**Naman Pipara**
Partner
M.No.140234
**UDIN: 23140234BGQHNB3758**

## Annexure A to the Independent Auditor's Report of Sintex-BAPL Limited (for the year ended 31st March, 2023)

## Referred to Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the Year ended 31st March, 2023

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i. **Property, Plant & Equipment**

a)

A. The Company has maintained proper records showing full particulars as maintained in accounting software including quantitative details and situation of Property, Plant & Equipment.

B. The company has maintained proper records showing full particulars of Intangible assets.

b) The Property, Plant & Equipment have been physically verified by the management through an independent expert for the reporting year pursuant to reverse merger and their values as per the expert's report have been brought to the financials.

c) According to Information and Explanations given by Management and on the basis of examination of the records of the Company, the title deeds of immovable properties included in the fixed assets of the company are held in the name of the company except some land parcels whose title deeds are not held in the name of the company. (Refer Note 42(xi) to Standalone Financial Statements).

d) The company's acquisition of assets through the reverse merger has been done as per purchase price allocation (PPA) conducted (Refer Note 4 to Standalone Financial Statements).

e) There are no proceedings initiated against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder, as confirmed to us by the management.

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ii. **Inventories**

a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management by engaging an expert pursuant to reverse merger and their values as per the expert's report have been brought to the financials.

b) According to the information and explanations given to us, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the order is not applicable.

iii. **Loans given**

According to the information and explanation given to us and on the basis of our examination of the records of the company, the company has not made any additional investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or other parties during the year. Accordingly, reporting under paragraph 3 clause (iii) (a), (b), (c), (d), (e), (f) of the order is not applicable.

iv. **Compliance of Sec 185 & 186**

Basis the legal opinion obtained from practicing company secretary and management representation for the parties covered under section 186, and according to the explanation and information furnished to us, the company had complied with the provisions of section 185 and 186 of the Act. During the current year, the company has not provided any additional corporate guarantees and securities.

v. **Public Deposit**

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under. Hence the directive issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public and provision of Para 3 (v) of the Order are not applicable.

vi. **Cost Records**

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 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

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vii. **Statutory Dues**

a) According to information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have generally been regularly deposited by the company with the appropriate authorities though there has been a slight delay in a few cases. There are no arrears of statutory dues which have remained outstanding as at the last day of the financial year concerned for a period of more than six months from the date, they became payable.

b) Following amounts have not been deposited as on March 31st, 2023 on account of dispute are given below:

| Name of the Statute | Nature of Dues | Amount (Rs. In Crores) | Amount paid/ Adjusted | Assessment Year to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| Income Tax Act | Short TDS credit considered while passing order u/s 143(3) of the Act. | 0.05 | Nil | 2018-19 | Additional / Joint / Deputy / Assistant Commissioner of Income Tax National Faceless Centre (Appeal), Delhi. |

viii. In our opinion and according to the information and explanations given to us, the company has not surrendered or disclosed as income any transaction not recorded in the books of accounts during the year in the tax assessments under the Income Tax Act,1961.

ix. **Application & Repayment of Loans & Borrowings**

a) Loans or borrowings owed by the Company have been paid as per terms of resolution plan approved by The Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad vide order IA/187(AHM)2023 dated 17.03.2023. The company has not defaulted during the year in repayment of loans or borrowings to any financial institution or a bank or government or other lenders, post the implementation of the resolution plan."

b) According to the information provided to us by the management, the company has not been declared as wilful defaulter by any bank or financial institutions or other lenders.

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c) The company has taken term loan during the year and accordingly the funds appear to have been applied for the purpose for which they were obtained. (Also, refer note 17 to the Standalone Financial Statements).

d) On an overall examination of the financial statements of the company, we state that no funds raised on short term basis have been utilized for long term purposes by the company.

e) The company has not taken any additional funds during the year from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

f) The company has not raised fresh loans during the year on the pledge of securities held in subsidiaries, joint ventures or associate companies.

x. **Application of funds raised through public offer**

a) The company has not raised money by way of Initial Public Offer or further public offer including debt instruments and term loans during the year. Accordingly, the provisions of clause 3 (x) of the order are not applicable to the company.

b) The company has made private placement of convertible debentures (optionally convertible) during the year. Also, private placement of shares has been done as per NCLT approved resolution plan. (Refer to note no. 15 to the Standalone Financial Statements). In our opinion and according to the information and explanations given to us, the company has utilized funds raised by way of optionally Convertible debentures for the purposes for which they were raised.

xi. **Fraud**

a) Based on the information and explanations given to us by the management, no material fraud has been noticed or reported by the company or on the company during the year.

b) Owing to (xi)(a), report under sub-section (12) of section 143 of the Companies Act is not required to be filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) No whistle-blower complaints have been received during the year by the company as represented to us by the management.

xii. **Nidhi Company**

The Company is not a Nidhi Company as per the Nidhi Rules, 2014. Accordingly, the provisions of the paragraph 3 clause (xii) of the order are not applicable to the company.

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xiii. The Company has entered into transactions with related parties in compliance with sections 177 and 188 of the Companies Act 2013. The details of such related party transactions have been disclosed in the financial statements (as per note 35) as required under IND AS 24, Related Party Disclosures specified under section 133 of the Companies Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

xiv. **Internal Audit**

a) The company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit report of the company issued till date, for the period under audit.

xv. According to the information and explanations given to us and in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.

xvi. **Registration u/s 45-IA of RBI Act**

a) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the order are not applicable to the Company.

b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934;

c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and therefore, requirement of fulfilling the criteria of a CIC as well as fulfilment of criteria for an exempted or unregistered CIC are not applicable.

d) Based on the information and explanations provided by the management of the Company, the Group ( 'Companies in the Group' is as defined in Master Direction - Core Investment Companies (Reserve Bank) Directions,2016,as amended has three CICs as part of the Group as detailed in Note 44 to the Standalone Financial Statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The company has not incurred cash losses in the current financial year while immediately preceding financial year had a cash loss of Rs. 169.59 crores

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xviii. There has been no resignation of the statutory auditors during the year and accordingly the provisions of paragraph 3(xviii) of the Order are not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. **Corporate Social Responsibility**

The company is not required to spend any amount towards Corporate social Responsibility (CSR) and thus there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) or to special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under Clause (xx) of the order is not applicable to the company.

xxi. The list of subsidiaries, joint ventures, associates to be consolidated are as under:

| Name of the company | Nature of the Company | Details of qualifications/ adverse comments in CARO |
|---|---|---|
| Sintex Holdings B.V. | Subsidiary Company | Not applicable |
| Sintex Logistics, LLC | Step Down Subsidiary | Not applicable |

**For Pipara & Co LLP**
Chartered Accountants
FRN: 107929W/W100219

**Date: 25-05-2023**

**Place: Ahmedabad**

PIPARA & CO LLP CHARTERED ACCOUNTANTS

**Naman Pipara**
Partner
M.No.140234
**UDIN: 23140234BGQHNB3758**

## Annexure B to the Independent Auditors' Report

**Referred to in paragraph 3(f) under the heading 'Report on other Legal and Regulatory Requirements' of the Independent Auditors' Report of even date to the members of Sintex BAPL Limited on the financial statements for the year ended March 31, 2023**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Sintex BAPL Limited** ("the Company") as of **March 31, 2023** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Pipara & Co LLP**
Chartered Accountants
FRN: 107929W/W100219

**Date: 25-05-2023**

**Place: Ahmedabad**

**Naman Pipara**
Partner
M.No.140234
**UDIN: 23140234BGQHNB3758**

## Sintex BAPL Limited
## Standalone Balance Sheet

*as at 31st March, 2023*

(Currency: Indian Rupees in crores)

| Particulars | Notes | 31 March 2023 |
|---|---|---|
| **Assets** | | |
| **Non-current assets** | | |
| (a) Property, plant and equipment | 4 | 363.02 |
| (b) Rou Assets | 5 | 0.20 |
| (c) Intangible assets | 6 | 0.16 |
| (d) Investment in subsidiary | 7 | 8.29 |
| (e) Financial assets | | |
| (i) Other financial assets | 8 | 2.46 |
| (e) Deferred Tax Assets (net) | 30 D | - |
| (f) Other non-current assets | 9 | 0.04 |
| | | **374.17** |
| **Current Assets** | | |
| (a) Inventories | 10 | 59.36 |
| (b) Financial Assets | | |
| (i) Trade receivables | 11 | 20.41 |
| (ii) Cash and cash equivalents | 12 | 74.28 |
| (iii) Bank balances other than (ii) above | 12 | 102.96 |
| (iv) Other financial assets | 8 | 51.34 |
| (c) Current tax assets (net) | 13 | 11.16 |
| (d) Other current assets | 9 | 20.82 |
| | | **340.33** |
| **Total assets** | | **714.50** |
| **Equity and liabilities** | | |
| **Equity** | | |
| (a) Equity share capital | 14 | 0.11 |
| (b) Instrument in the nature of equity | 15 | 330.70 |
| (c) Other Equity | 16 | 66.40 |
| | | **397.21** |
| **Liabilities** | | |
| **Non-Current Liabilities** | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 17 | 147.90 |
| (b) Provisions | 19 | 19.31 |
| | | **167.21** |
| **Current Liabilities** | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | 17 | - |
| (ii) Trade payables | 21 | |
| - Total outstanding dues of micro and small enterprises | | 3.16 |
| - Total outstanding dues other than above | | 108.43 |
| (iii) Other financial liabilities | 18 | 13.06 |
| (b) Provisions | 19 | 2.25 |
| (c) Other current liabilities | 20 | 23.18 |
| | | **150.08** |
| | | **317.29** |
| **Total equity and liabilities** | | **714.50** |

The above standalone balance sheet should be read in conjunction with the accompanying notes
This is the standalone balance sheet referred to in our report of even date.

**For Pipara & Co LLP**
*Chartered Accountants*
Firm's Registration No: 107929W/W100219

PIPARA & CO LLP CHARTERED ACCOUNTANTS

**Naman Pipara**
*Partner*
Membership No: 140234
**UDIN: 23140234BGQHNB3758**
**Place -** Ahmedabad
**Date -25-05-2023**

**Chetan Joshi**
*President F&A*

**Samir Joshipura**
*Chief Executive Officer*

**For and on behalf of the Board of Directors of Sintex-BAPL Limited**
CIN U25199GJ2007PLC051364

**Rajesh Mandawewala**
*Director*
DIN No. 00007179
**Place -** Mumbai
**Date -25-05-2023**

**Yashovardhan Agarwal**
*Director*
DIN No. 032011711
**Place -** Mumbai
**Date -25-05-2023**

**Yash Sheth**
*Company Secretary*
ICSI M.No. A36328
**Place -** Ahmedabad
**Date -25-05-2023**

**Chirag Goenka**
*Chief Financial Officer*
**Place -** Ahmedabad
**Date -25-05-2023**

# Sintex-BAPL Limited
## Standalone Statement of Profit and Loss
*From September 27, 2022 to March 31, 2023*
(Currency: Indian Rupees in crores)

| Particulars | | Notes | From September 27, 2022 to March 31, 2023 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | | 22 | 9.00 |
| Other income | | 23 | 0.16 |
| **Total income** | | | **9.16** |
| **Expenses** | | | |
| Cost of materials consumed | | 24 | 1.50 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | | 25 | 3.06 |
| Employee benefits expense | | 26 | 0.47 |
| Finance costs | | 27 | 0.28 |
| Depreciation and amortisation expenses | | 28 | 0.02 |
| Other expenses | | 29 | 2.67 |
| **Total expenses** | | | **8.00** |
| **Profit before prior period, exceptional items and tax** | | | 1.16 |
| Prior Period items | | | - |
| Exceptional items | | | - |
| **Profit before tax** | | | **1.16** |
| **Tax expense** | | 30 | - |
| **Profit for the year** | | | **1.16** |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| Other comprehensive income for the year, net of tax | | | - |
| **Total comprehensive income for the year** | | | **1.16** |
| **Earnings per share** | | 31 | |
| [ Nominal value of share Rs.10 Basic ] | Basic ( in Rs.) | | **102.76** |
| | Diluted (in Rs.) | | **0.03** |

The above standalone statement of profit and loss should be read in conjunction with the accompanying notes
This is the standalone statement of profit and loss referred to in our report of even date.

For **Pipara & Co LLP**
*Chartered Accountants*
Firm's Registration No: 107929W/W100219

**Naman Pipara**
*Partner*
Membership No: 140234
**UDIN: 23140234BGQHNB3758**

**Place -** Ahmedabad
**Date -25-05-2023**

PIPARA & CO LLP CHARTERED ACCOUNTANTS

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CIN U25199GJ2007PLC051364

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**Date -25-05-2023**

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*Director*
DIN No. 03201171I

***Place -*** Mumbai
**Date -25-05-2023**

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*Chief Executive Officer*

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**Date -25-05-2023**

**Chirag Goenka**
*Chief Financial Officer*

**Place -** Ahmedabad
**Date -25-05-2023**

# Sintex BAPL Limited

## Statement of cash flows from September 27, 2022 to March 31, 2023

*(Currency: Indian Rupees in crores)*

| | | From September 27, 2022 to March 31, 2023 |
|---|---|---|
| A) | **Cash flow from operating activities** | |
| | **Profit before tax** | **1.16** |
| | **Adjustments for :** | |
| | Interest expense | 0.28 |
| | Depreciation | 0.02 |
| | **Operating profit before changes in operating assets and liabilities** | **1.47** |
| | **Changes in operating assets and liabilities** | |
| | (Increase)/decrease in other current assets | 6.29 |
| | (Increase)/decrease in Inventories | 3.32 |
| | (Increase)/decrease in Trade Receivables | - |
| | Increase/(decrease) in Trade Payables | (10.05) |
| | Increase/(decrease) in financial liability | 0.01 |
| | Increase/(decrease) in other current liabilities | 3.31 |
| | Movement in Other financial liabilities | 2.03 |
| | Movement in Other financial assets | 11.83 |
| | Movement in Loans | - |
| | **Cash flow from operations** | **18.21** |
| | Income taxes paid | - |
| | **Net cash from/ (used in) operating activities (A)** | **18.21** |
| B) | **Cash flow from investing activities** | |
| | Purchase of Property Plant and Equipment | (0.04) |
| | **Net cash from / (used) in investing activities** | **(0.04)** |
| C) | **Cash flow from financing activities** | |
| | Proceeds from issuance of equity share capital | 0.35 |
| | Proceeds from issuance of Optionally Convertible Debentures | 370.70 |
| | Repayment of Optionally Convertible Debentures | (40.00) |
| | Proceeds from borrowings(net of payable for upfront fees on term loan 2.10) | 147.90 |
| | Payments pursuant to resolution plan | (516.43) |
| | Finance charge paid | (0.28) |
| | Proceeds from short term loan | 100.00 |
| | Repayment of short term loan | (100.00) |
| | **Net cash from/ (used in) financing activities (C)** | **(37.76)** |
| | **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | (19.59) |
| | Cash and cash equivalents at the beginning of the financial year | - |
| | Cash and cash equivalent transfer pursuant to reverse merger | **93.87** |
| | **Cash and cash equivalents at the end of the year** | **74.28** |

**Reconciliation of cash and cash equivalents as per the cash flow statement**

**Cash and cash equivalents as per above comprise of the following:**

| | Period ended March 31, 2023 |
|---|---|
| **Cash and Cash equivalents** | |
| Balances with banks: | |
| - Current accounts | 74.28 |
| **Balances per statement of cash flows** | **74.28** |

The above standalone statement of cash flows should be read in conjunction with the accompanying notes.

This is the standalone statement of cash flows referred to in our report of even date.

**For Pipara & Co LLP**
Chartered Accountants
Firm's Registration No: 107929W/W100219

Naman Pipara
Partner
Membership No: 140234
**UDIN: 23140234BGQHNB3758**
**Place -** Ahmedabad
**Date -25-05-2023**

PIPARA & CO LLP CHARTERED ACCOUNTANTS

**For and on behalf of the Board of Directors of**
**Sintex-BAPL Limited**
CIN U25199GJ2007PLC051364

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**Place -** Mumbai
**Date -25-05-2023**

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ICSI M.No. A36328
**Place -** Ahmedabad
**Date -25-05-2023**

**Chirag Goenka**
Chief Financial Officer

**Place -** Ahmedabad
**Date -25-05-2023**

# Sintex-BAPL Limited
# Standalone Statement of Changes in Equity

***From September 27, 2022 to March 31, 2023***

(Currency: Indian Rupees in crores)

**Standalone Statement of Changes in Equity**

**A. Equity Share Capital (refer note 14)**

| Particulars | Amount |
|---|---|
| **Issued, subscribed and paid up capital** | |
| **As at September 27, 2022** | 0.00 |
| Add: Issue of shares during the period | 0.35 |
| Less: Cancellation of shares pursuant to reverse merger | (0.35) |
| Add: Allotment of Shares Pursuant to Resolution Plan | 1.00 |
| Less: Cross holding cancelled / extinguished | (1.00) |
| Add: Issue of shares pursuant to reverse merger (Refer Note 41 A) | 0.11 |
| **As at March 31, 2023** | **0.11** |

**B. Other Equity ( refer note 16)**

| | Reserves and Surplus | | Total |
|---|---|---|---|
| Other Equity | Capital Reserve | Retained Earnings | |
| **As at September 27, 2022** | - | - | - |
| Capital reserve pursuant to reverse merger (refer note 41 A) | 65.00 | - | 65.00 |
| Profit for the period from September 27, 2022 to March 31, 2023 | - | 1.16 | 1.16 |
| Other Comprehensive Income | - | - | - |
| **Total comprehensive income for the year** | **65.00** | **1.16** | **66.16** |
| Share capital prior to reverse merger | - | 0.35 | 0.35 |
| Shares issued pursuant reverse merger | - | (0.11) | (0.11) |
| **As at March 31, 2023** | **65.00** | **1.40** | **66.40** |
| | | | |

The above standalone statement of changes in equity should be read in conjunction with the accompanying notes.
This is the standalone statement of changes in equity referred to in our report of even date.

**For Pipara & Co LLP**
*Chartered Accountants*
Firm's Registration No: 107929W/W100219

**Naman Pipara**
*Partner*
Membership No: 140234
**UDIN: 23140234BGQHNB3758**

**Place -** Ahmedabad
**Date -25-05-2023**

**For and on behalf of the Board of Directors of Sintex-BAPL Limited**
CIN U25199GJ2007PLC051364

**Rajesh Mandawewala**
*Director*
DIN No. 00007179

**Place -** Mumbai
**Date -25-05-2023**

**Yashovardhan Agarwal**
*Director*
DIN No. 032011711

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ICSI M.No. A36328
**Place -** Ahmedabad
**Date -25-05-2023**

**Chirag Goenka**
*Chief Financial Officer*
**Place -** Ahmedabad
**Date -25-05-2023**

## Sintex–BAPL Limited
### Notes to the Standalone financial statements
### For the year ended 31st March 2023

### 1. Corporate Information

Sintex-BAPL Limited ("the Company") incorporated in 2007 in India. The registered office of the Company is at Ahmedabad, Gujarat. The principal activities of the Company are to be in the business of custom moulding products. The Company has manufacturing facilities in India. Its global operations are spread across Europe and the USA through subsidiaries which mainly includes Sintex Holding BV, and Sintex Logistic LLC., USA.

Also, refer to note no. 41 with respect to resolution plan and scheme of arrangement order passed by Hon'able National Company Law Tribunal ("NCLT") dated March 17, 2023. From effective date March 29, 2023, the Company became the wholly-owned subsidiary of Welspun Corp Limited.

The financial statement are authorised by the Board of Directors on May 25, 2023.

### 2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements

### 2.1 Basis of Preparation of Standalone Financial Statement

#### A. Compliance with Ind-AS

Accounting in the merged financial statements has been done in accordance with the accounting treatment prescribed in the Resolution plan approved by the NCLT which is in line with the accounting treatment prescribed by Ind AS 103 for reverse acquisition business combinations.

#### B. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (i.e. 12 months) and other criteria set out in Schedule III (Division II) to the Act.

### 2.2 Foreign Currency Transactions

#### A. Functional and presentation currency

Items included in the standalone financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Standalone financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Company.

#### B. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

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Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other expenses or other income, as applicable.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of initial transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**2.3 Revenue Recognition**

Revenue from sale of goods and services is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The company operates on FOR model, where freight is born by the company, however the same is loaded in the sales price to the customer. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes discounts, incentives, volume rebates, goods & services tax and amounts collected on behalf of third parties.

In determining the transaction price, the Company considers below, if any:

**Variable consideration:**

This includes discounts, incentives, volume rebates, etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

**Significant financing component:**

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good to the customer and when the customer pays for that good or service will be one year or less.

**Consideration payable to a customer:**

Such amounts are accounted as reduction of transaction price and therefore, of revenue unless the payment to the customer is in exchange for a distinct good that the customer transfers to the Company. Further, in accordance with Ind AS 37, the Company recognises a provision for onerous contract when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

**Contract balances:**

**Trade receivables:** A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

**Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

**Sale of services**

The Company provides installation services, ancillary to the sale to its customers. The income is recognized on accrual basis i.e., period in which the services are rendered, based on the terms of agreement.

**2.4 Segment Reporting**

The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The chief operating decision makers are board of directors of the Company. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker

**2.5 Cash Flow Statement**

Cash flows are reported using the indirect method set out in Ind AS 7 'Statement of Cash Flows', whereby net loss/profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**2.6 Income Tax, Deferred Tax and Dividend Distribution Tax**

The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the profit and loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

**a) Current income tax**

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**b) Deferred tax**

Deferred tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill.

Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax assets is realized or deferred tax liability is settled.

Deferred tax are recognised for all deductible temporary difference and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Company has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

**c) Dividend distribution tax**

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

**2.6 Leases**

The Company leases various leasehold lands, buildings, vehicles, and office and other equipments. Rental contracts are typically made for fixed periods of one to ninety-nine years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Based on the notification released by MCA, Ind AS 116 has been made applicable w.e.f. April 01, 2019. From April 01, 2019, leases are recognized as a right-of-use assets and a corresponding lease liability at the date at which the leased assets is available for the use by the Company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments, as applicable:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Company under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

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Lease payment, to be made under reasonably certain extension options, are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following, wherever applicable:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term (including extension considering reasonable certainty), on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets and short term lease assets comprises of dumpsite land, laptops and other office equipements.

**As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct cost incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

**2.8 Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

Freehold land is not depreciated. Leasehold improvements and Lease hold land are amortised over the shorter of estimated useful life or the related lease term. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

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| Assets | Estimated Useful Lives (in years) | Useful Life as per Companies Act,2013 |
|---|---|---|
| Buildings | 15 to 60 Years | 30 to 60 Years |
| Plant and Machinery | 03 to 40 Years | 8 to 40 Years |
| Furniture and Fixtures | 03 to 10 Years | 8 to 10 Years |
| Vehicles | 05 to 10 Years | 6 to 10 Years |
| Office Equipment | 03 to 10 Years | 5 Years |

These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013. Plant and machinery is depreciated on straight line method over the useful life in order to reflect the actual usage of the assets. The estimated useful lives of assets above has been determined based on internal technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, etc.

The residual values are not more than 5% of the original cost of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income or other expenses, as applicable.

**2.9 Intangible Assets**

Intangible assets with finite useful lives acquired by the Company are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

**Amortization methods and periods**

Intangible assets comprise of computer software which is amortized on a straight-line basis over its expected useful life over a period of five years which is based on a technical evaluation done by the Management.

**2.10 Inventories**

**Raw materials, stores and spares, work in progress, traded goods and finished goods**

Raw materials, stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials,stores and traded goods comprises cost of purchases on moving weighted average basis. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are

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assigned to individual items of inventory on moving weighted average basis. Cost of purchased inventory are determined after deducting the rebates and discount.Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**2.11 Investments in subsidiaries**

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Cost includes the purchase price and other costs directly attributable to the acquisition of investments. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Standalone Statement of Profit and Loss.

**2.12 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**A) Financial assets**

**(I) Classification**

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**(II) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. After initial recognition, financial assets not measured at fair value through profit & Loss are measured using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flow through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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**(i) Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income or other expenses (as applicable). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.

**(ii) Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments and gain/loss on restatement of equity shares held in foreign currency are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses, as applicable in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**(iii) Instruments Entirely Equity in Nature**

Instruments entirely equity in nature issued by the Company comprises of convertible debentures. These instruments have such terms and conditions that qualify them for being entirely equity in nature based on the criteria given in Para 16 of Ind AS 32 "Financial Instruments Presentation". Company assesses the terms and conditions specific to each instrument for deciding whether they are entirely equity in nature. This is recognized and included in shareholder's equity, net of income tax effects, and not subsequently re-measured.

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Accounting for the optionally convertible Debenture as an equity instrument without separating the redemption option is not accounted for as an embedded derivative but is considered part of the equity instrument. This is because the redemption option is already considered in determining that the entire instrument is a non-derivative equity instrument.

**(iv) Impairment of financial assets**

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(v) Derecognition of financial assets**

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(III) Income recognition**

**(i) Interest income**

Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to principal outstanding and the effective interest rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest on income tax and indirect tax are recognised in the year in which it is received.

**(ii) Dividend income**

Dividend income are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

### (iii) Export Benefits

In case of sale made by the company as Support Manufacturer, export benefits arising from Duty Entitlement Pass Book (DEPB), Duty Drawback scheme and Merchandise Export Incentive Scheme (MEIS) and Remission of Duties or Taxes on Export Products (RoDTEP) are recognized on export of such goods in accordance with the agreed terms and conditions with customers. In case of direct exports made by the company, export benefits arising from DEPB, Duty Drawback scheme and MEIS and RoDTEP are recognized on shipment of direct exports.

### (iv) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits with an original maturity of three months or less and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flow, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

### (v) Trade receivable

Trade Receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost less loss allowance.

## B) Financial liabilities

### (I) Measurement

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

### (II) De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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### (III) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss as other income or other expenses, as applicable.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the standalone financial statements for issue, not to demand payment as a consequence of the breach.

### (IV) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

Trade payables include acceptances arrangements where operational suppliers of goods are paid by banks while Company continues to recognise the liability till settlement with the banks.

## 2.13 Borrowing costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed which necessarily take a substantial period of time get ready for their intended use) are capitalized.

Borrowing cost include interest expense calculated using EIR method. EIR includes interest, amortization of ancillary cost, incurred in connection with borrowing of funds. Other borrowing costs are recognized as an expense in the period in which they are incurred.

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## 2.14 Employee Benefits

### Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity; and
- Defined contribution plans such as provident fund and superannuation fund.

#### (I) Defined Benefit Plans

#### (i) Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit and loss in the subsequent periods.

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Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**(ii) Defined contribution plans**

(i) Provident Fund, Employee State Insurance Corporation (ESIC) and Pension Fund
The Contribution towards provident fund, ESIC and pension fund for certain employees is made to the regulatory authorities where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations apart from the contributions made on a monthly basis.

## 2.15 Provisions, Contingent Liabilities and Contingent Assets

### a) Provisions

Provisions for legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the on-going activities of the Company.

### b) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### c) Contingent Assets

Contingent Assets are disclosed, where an inflow of economic benefits is probable.

## 2.16 Contributed equity

Equity shares are classified as equity incremental cost directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

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**2.17 Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**2.18 Earnings per Share**

**Basic earnings per share**
Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company; and
- by the weighted average number of equity shares outstanding during the financial year.

**Diluted earnings per share**

Diluted earnings per share adjust the figures used in determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**2.19 Rounding of amounts**

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest Rupees Crores (upto two decimals), unless otherwise stated as per the requirement of Schedule III (Division II).

**2.20 Business Combinations**

The acquisition method of accounting is used to account for all business combination except under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

-fair value of the assets transferred
-liabilities incurred to former owners of the acquired business:
-equity interests issued by the company; and
-fair value of any asset or liability from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are , with limited exception, measured initially at their fair values at the acquisition date. The company recognises any non-controlling interest in the acquisition-by-acquisition basis at the non-controlling interest's proportionate share of acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred
The excess of the

- Consideration transferred;
- Amount of non-controlling interest in the acquired entity &
- Acquisition-date fair value of any previous equity interest in the acquired entity's

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Over the fair value of the net identifiable assets acquired is recorded as goodwill, after initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognized in the statement of profit and loss. Impairment loss recognized goodwill is not reversed in subsequent periods.

If those amount are less than the fair value of net identified assets of the business acquired, the difference is recognized as capital reserve in other equity

Where settlement of any part of cash consideration is deferred, the amount payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amount classified as financial liability are subsequent premeasured to fair value with changes in fair value recognized in profit and loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is re-measured to fair value at the acquisition date. Any gain or losses arising from such re-measured are recognised in profit or loss of other comprehensive income, as appropriate.

**2.21 New amendments issued but not effective**

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective April 01, 2023. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

| Title | Key requirements |
|---|---|
| Disclosure of Accounting Policies Amendments to Ind AS 1, Presentation of financial statements | The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. |
| Definition of Accounting Estimates Amendments to Ind AS 8, Accounting policies, changes in accounting estimates and errors | The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. |
| Deferred tax related to assets and liabilities arising from a single transaction Amendments to Ind AS 12, Income taxes | The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the |

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| | |
|---|---|
| | beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:<br><br>• right-of-use assets and lease liabilities, and<br>• decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.<br><br>The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments. |

## 3. Critical Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

### Critical estimates and judgments

(i) Estimation of Provisions and Contingent Liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision.

(ii) Estimation of useful life of Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

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(iii) Estimation of Provision for Inventory

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

(iv) Estimation of Defined Benefit Obligation

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

(v) Estimated fair value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(vi) Impairment of carrying value of investments in a subsidiary:

Determining whether the impairment of carrying value of investments in a subsidiary requires an estimate of the value in use of investments.

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# Sintex-BAPL Limited

**Notes to the Standalone financial statements (Continued)**

*as at 31st March, 2023*

(Currency: Indian Rupees in crores)

## 4 Property, plant and equipment

| Particulars | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|
| | Cost as at 27 Sep 2022 | Additions during the year | Additions Pursuant to Reverse Merger | Deduction during the year | Cost as at 31 Mar 2023 | Balance as at 27 Sep 2022 | Depreciation for the year | Disposals | Balance as at 31 Mar 2023 | as at 31 Mar 2023 |
| Freehold Land | - | - | 167.60 | - | 167.60 | - | - | - | - | 167.60 |
| Building | - | - | 78.91 | - | 78.91 | - | 0.01 | - | 0.01 | 78.90 |
| Plant and machinery | - | 0.04 | 116.19 | - | 116.23 | - | 0.01 | - | 0.01 | 116.22 |
| Furniture and fixtures | - | - | 0.10 | - | 0.10 | - | 0.00 | - | 0.00 | 0.10 |
| Vehicles | - | - | 0.20 | - | 0.20 | - | 0.00 | - | 0.00 | 0.20 |
| **Total Property, Plant and Equipment** | **-** | **0.04** | **363.00** | **-** | **363.04** | **-** | **0.02** | **-** | **0.02** | **363.02** |

## 5 ROU Assets

| Particulars | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|
| | Cost as at 27 Sep 2022 | Additions during the year | Additions Pursuant to Reverse Merger | Deduction during the year | Cost as at 31 Mar 2023 | Cost as at 27 Sep 2022 | Depreciation for the year | Disposals | Balance as at 31 Mar 2023 | as at 31 Mar 2023 |
| Leasehold Land * | - | - | 0.20 | - | 0.20 | - | 0.00 | - | 0.00 | 0.20 |
| **Total ROU Assets** | **-** | **-** | **0.20** | **-** | **0.20** | **-** | **0.00** | **-** | **0.00** | **0.20** |

* The Company has obtained leasehold land for lease term of 95-99 Years.

## 6 Intangible Assets

| Particulars | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|
| | Cost as at 27 Sep 2022 | Additions during the year | Additions Pursuant to Reverse Merger | Deduction during the year | Cost as at 31 Mar 2023 | Cost as at 27 Sep 2022 | Depreciation for the year | Disposals | Balance as at 31 Mar 2023 | as at 31 Mar 2023 |
| Software | - | - | 0.16 | - | 0.16 | - | 0.00 | - | 0.00 | 0.16 |
| **Total Intangible Assets** | **-** | **-** | **0.16** | **-** | **0.16** | **-** | **0.00** | **-** | **0.00** | **0.16** |

**Notes:**

(i) All tangible and intangible movable assets of the Company have been hypothecated to secure term loans from Banks.

(ii) Contractual obligations
Refer Note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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# Sintex BAPL Limited

**Notes to the standalone financial statements** ***(Continued)***

*as at 31st March, 2023*

(Currency: Indian Rupees in crores)

**7 Investments in subsidiary**

| Particulars | 31 March 2023 |
|---|---|
| **Non-Current** | |
| **Investment in unquoted equity shares of subsidiary company** | |
| **Sintex Holdings B.V. ( Wholly Owned Susbidiary)** | 8.29 |
| 16,176,778 equity shares of Euro 1 fully paid-up | |
| (Acquired pursuant to the Scheme of Arrangement) | |
| **Total non-current investments** | **8.29** |

**8 Other Financial Assets**

| Particulars | 31 March 2023 |
|---|---|
| **Non-current** | |
| **Unsecured, considered good** | |
| Security and Earnest Money Deposits | 2.46 |
| | **2.46** |
| **Current** | |
| **Unsecured, considered good** | |
| Receivable from Related Party ( Refer Note 35 ) | 50.00 |
| Rebate Receivable | 1.34 |
| | **51.34** |
| **Total** | **53.81** |

**9 Other assets**

| Particulars | 31 March 2023 |
|---|---|
| **Non-current** | |
| **Unsecured, considered good** | |
| Capital advances | 0.04 |
| | **0.04** |
| **Current** | |
| **Unsecured, considered good** | |
| Advance to suppliers | 12.28 |
| Balances with government authorities | 4.29 |
| Prepaid expenses | 2.99 |
| Export incentives receivables | 0.39 |
| Staff Travel Advance & Imprest | 0.86 |
| | **20.82** |
| **Total** | **20.86** |

**10 Inventories**

| Particulars | 31 March 2023 |
|---|---|
| Raw materials | 27.22 |
| Work in progress | 10.53 |
| Finished goods | 18.94 |
| Stores and spares | 2.67 |
| **Total** | **59.36** |

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(Currency: Indian Rupees in crores)

## 11 Trade Receivables

| Particulars | 31 March 2023 |
|---|---|
| **Current** | |
| Unsecured, considered good (other than related party) | 1.54 |
| Unsecured, considered good (from related party) | 18.86 |
| **Total Trade Receivable** | **20.41** |

*** Ageing for Trade Receivable outstanding as at March 31, 2023 is as follows**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 Months | 6 Months – 1 Year | 1 – 2 Years | 2 – 3 Years | More than 3 Years | |
| Undisputed Trade Receivables – Considered Good | 19.66 | 0.72 | - | 0.02 | - | **20.41** |
| Undisputed Trade Receivables – Which have significant increase in Credit Risk | - | - | - | - | - | - |
| Undisputed Trade Receivables – Credit Impaired | - | - | - | - | - | - |
| Disputed Trade Receivables – Considered Good | - | - | - | - | - | - |
| Disputed Trade Receivables – Which have significant increase in Credit Risk | - | - | - | - | - | - |
| Disputed Trade Receivables – Credit Impaired | - | - | - | - | - | - |
| TOTAL | **19.66** | **0.72** | - | **0.02** | - | **20.41** |

* For the purpose of ageing original date of acquired trade receivables has been considered.

**Note:**

(i) The Company's trade receivable do not carry a significant financing element. Accordingly the Company has adopted a simplified approach for measurement of expected credit loss.

(ii) There are no disputed trade receivables as at March 31, 2023

## 12 Cash and other bank balances

| Particulars | 31 March 2023 |
|---|---|
| **Cash and Cash Equivalents** | |
| Balances with banks | |
| In current accounts | 74.25 |
| Cash on hand | 0.03 |
| **Total Cash and Cash Equivalents** | **74.28** |
| **Other Bank Balances** | |
| Earmarked balances with bank for Unpaid CIRP Dues | 97.82 |
| **Fixed Deposits & Margin money deposits** | |
| With original maturity of more than 3 months but less than 12 months | 5.14 |
| **Total Bank Balance other than Cash and Cash Equivalents** | **102.96** |
| **Total** | **177.24** |

## 13 Current tax assets (net)

| Particulars | 31 March 2023 |
|---|---|
| Advance Tax | 8.22 |
| TDS Receivable | 2.94 |
| **Total** | **11.16** |

PIPARA & CO LLP
CHARTERED ACCOUNTANTS

# Sintex BAPL Limited

**Notes to the standalone financial statements *(Continued)***
*as at 31st March, 2023*
(Currency: Indian Rupees in crores)

## 14 Equity share capital

| Particulars | 31 March 2023 | |
|---|---|---|
| | Number of Shares | Amount |
| **Authorised share capital** | | |
| Equity shares of Rs. 10/- each | 1,74,50,000 | 17.45 |
| Reedemable Cumulative Preference shares of Rs 100/- each | 50,00,000 | 50.00 |
| | **2,24,50,000** | **67.45** |
| **Issued, subscribed and paid up capital** | | |
| Equity shares of Rs. 10/- each fully paid up | 1,13,308 | 0.11 |
| | **1,13,308** | **0.11** |

| Share Capital | Equity share capital | | Preference Share Capital | |
|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount |
| **Authorised share capital** | | | | |
| **As at September 27, 2022** | 10,000 | 0.01 | - | - |
| Increase during the period | 3,40,000 | 0.34 | - | - |
| Increase during the period pursuant to reverse merger | 1,71,00,000 | 17.10 | 50,00,000 | 50.00 |
| **As at March 31, 2023** | **1,74,50,000** | **17.45** | **50,00,000** | **50.00** |

| i) Movement in equity shares capital | Number of shares | Amount |
|---|---|---|
| **Issued, subscribed and paid up capital** | | |
| **As at September 27, 2022** | 1,000 | 0.00 |
| Add: Issue of shares during the period | 3,49,000 | 0.35 |
| Less: Cancellation of shares pursuant to reverse merger | (3,50,000) | (0.35) |
| Add: Allotment of Shares Pursuant to Resolution Plan | 10,00,000 | 1.00 |
| Less: Cross holding cancelled / extinguished | (10,00,000) | (1.00) |
| Add: Issue of shares pursuant to reverse merger (Refer Note 41 A) | 1,13,308 | 0.11 |
| **As at March 31, 2023** | **1,13,308** | **0.11** |

**Reconciliation of share outstanding at the beginning and at the end of the period**

| Particulars | As at March 31, 2023 | |
|---|---|---|
| | **Numbers** | **Amount** |
| **As at September 27, 2022** | 1,000 | 0.00 |
| Changes in equity share capital during the current period | | |
| Add: Issue of fresh equity shares | 3,49,000 | 0.35 |
| Less: Cancellation of shares pursuant to reverse merger | (3,50,000) | (0.35) |
| Add: Allotment of Shares Pursuant to Resolution Plan | 10,00,000 | 1.00 |
| Less: Cross holding cancelled / extinguished | (10,00,000) | (1.00) |
| Add: Issue of shares pursuant to reverse merger (Refer Note 41 A) | 1,13,308 | 0.11 |
| **As at March 31, 2023** | 1,13,308 | 0.11 |

(Currency: Indian Rupees in crores)

**ii) Terms and rights attached to shares**
**Equity shares**
The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the company the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Preference shares**
Preference shares does not carry any voting rights in the Company, except as provided in the Companies Act, 2013. Preference share will have priority over equity shares in the payment of dividend and repayment of capital.

**iii) Details of shareholders holding more than 5% shares in the Company**

| As at March 31, 2023 | No. of shares | % holding |
|---|---|---|
| **Equity shares held by** | | |
| Welspun Corp Limited and its nominees | 1,13,308 | 100.00% |

**(iv) Details of shareholding of promoters for the period ended March 31, 2023**

| Name of the promoter | Number of shares | % of total number of shares | % of change during the year |
|---|---|---|---|
| Welspun Corp Limited and its nominees | 1,13,308 | 100.00% | 100.00% |
| **TOTAL** | **1,13,308** | **100.00%** | |

15 **Instrument in the nature of equity**
**Optionally Convertible Debentures**

| | 31 March 2023 | |
|---|---|---|
| **i) Movement in Optionally Convertible Debentures** | Number of Debentures | Amount |
| Issued, subscribed and paid up capital | | |
| **As at September 27, 2022** | - | - |
| Increase during the period | 3,70,70,100 | 370.70 |
| (Optionally Convertibe Debentures of Rs. 100/- each) | | |
| **As at March 29, 2023** | **3,70,70,100** | **370.70** |
| Decrease during the year | 40,00,000 | 40.00 |
| **As at March 31, 2023** | **3,30,70,100** | **330.70** |

**(ii) Terms and rights attached to Convertible Debentures**

Each OCD having face value of Rs. 100 each shall be convertible at the option of the holder thereof at any time during the tenure of the OCDs into 10 equity shares of Rs. 10 each.

If the OCDs are not redeemed within 5 years from the date of the issue, the OCDs shall be mandatorily converted into equity shares.

The OCDs shall be redeemable at the option of the issuer, any-time from the date of the issue but not later than 5 years.

Before redeeming the OCDs, the issuer shall give option to holder to convert the OCDs in to equity by issuing 15 days' notice thereto

If the holder does not opt for converting, the issuer shall redeem within 7 days of the expiry of the notice period.

The OCDs shall carry coupon of 0.01% p.a., discretionary.

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex BAPL Limited

**Notes to the standalone financial statements *(Continued)***
*as at 31st March, 2023*
(Currency: Indian Rupees in crores)

**(iii) OCD's of the Company held by holding company** — **As at 31st March, 2023**

| | No. of OCD's | % holding |
|---|---|---|
| Welspun Corp Limited | 3,30,70,100 | 100% |

**(iv) Details of holders holding more than 5% OCD's in the Company** — **As at 31st March, 2023**

| | No. of OCD's | % holding |
|---|---|---|
| Welspun Corp Limited (the 'holding company') | 3,30,70,100 | 100% |

**(v) Details of Promoter holding**

| Name of the promoter | Number of OCDs | % of total number of OCDs | Percentage of change during the year |
|---|---|---|---|
| Welspun Corp Limited | 3,30,70,100 | 100% | 100% |

## 16 Other equity

| Particulars | 31 March 2023 |
|---|---|
| Capital Reserve Pursuant to Reverse Merger ( refer Note 41 ) | 65.00 |
| Retained earnings | 1.40 |
| **Total Other Equity** | **66.40** |

| Particulars | 31 March 2023 |
|---|---|
| **Retained earnings** | |
| At the commencement of the year | - |
| **Add:** | |
| Share capital prior to reverse merger | 0.35 |
| Profit for the year | 1.16 |
| Shares issued pursuant reverse merger | (0.11) |
| **At the end of the year** | **1.40** |

**Nature and purpose of reserve**

**Capital Reserve**

The excess of fair value of net assets acquired over consideration paid in a business combination is recognised as capital reserve. The reserve is not available for distribution.

**Retained Earnings**

Retained earnings are the profits that the company has earned till date. The amount that can be distributed by the company as dividends to its equity shareholders is determind based on the requirements of the Companies Act, 2013.

PIPARA & CO LLP CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in crores)

## 17 Borrowings

| Particulars | 31 March 2023 | |
|---|---|---|
| | Non-current | Current |
| **Non-current** | | |
| **Secured (at amortised cost)** | | |
| Term loan from banks(refer note (i) and (ii) | 147.90 | - |
| **Unsecured** | | |
| Term loan from banks | - | - |
| **Total Non Current / Current Borrowings** | **147.90** | - |

Refer note 37 - Financial Instruments,Fair Value & Risk Measurement

**Notes:**

**(i) Nature of security for borrowings**

Secured by first ranking exclusive charge by way of hypothecation over all tangible and intangible movable assets, all bank accounts of the Company both present and future.

**(ii) Terms of repayment and interest**

The Term Loan is repayable in 8 years, quarterly repayment after a moratorium of 12 months starting from June 30, 2024. The applicable rate of interest is linked to 8.90% p.a.

**(iii) Net Debt Reconciliation**

| **Particulars** | **31 March 2023** |
|---|---|
| Net debt reconciliation | |
| Cash and cash equivalents | 74.28 |
| Non-current borrowings | (147.90) |
| Other Financial Liabilities | (2.10) |
| | **(75.72)** |

| **Net debt reconciliation** | Net debt as on 27-09-2022 | Addition pursuant to business combination | Interest Expense | Interest Paid | Net debt as on 31-03-2023 |
|---|---|---|---|---|---|
| Cash and cash equivalents | - | 74.28 | | | 74.28 |
| Non-current borrowings | | (147.90) | (0.11) | 0.11 | (147.90) |
| Other Financial Liabilities | - | (2.10) | - | - | (2.10) |
| **Total** | - | (75.72) | **(0.11)** | **0.11** | **(75.72)** |
| **Interest Accrued as at 31-03-2023** | | | | | - |

## 18 Other Financial liabilities

| **Particulars** | **31 March 2023** |
|---|---|
| **Current** | |
| Interest accrued and due on borrowings | 0.16 |
| Capital Creditors | 0.02 |
| Payable for Upfront fees on Term Loan | 2.10 |
| Gauarantee Fees Payable | 0.01 |
| Security deposits | 10.77 |
| **Total** | **13.06** |

PIPARA & CO LLP
CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in crores)

**19 Provisions**

| Particulars | 31 March 2023 |
|---|---|
| **Non-current** | |
| **Provision for employee benefits** | |
| Provision for gratuity | 12.61 |
| Provisions for compensated absences | 6.70 |
| | **19.31** |
| **Current** | |
| **Provision for employee benefits** | |
| Provision for gratuity | 1.24 |
| Provisions for compensated absences | 1.01 |
| | **2.25** |
| Total | **21.56** |

Refer note 36 - For movements in provisions for employee benefits

**20 Other current liabilities**

| Particulars | 31 March 2023 |
|---|---|
| **Current** | |
| Advance from customers | 18.17 |
| Statutory Dues | 5.01 |
| | **23.18** |

**21 Trade payables**

| Particulars | 31 March 2023 |
|---|---|
| **Current** | |
| Total outstanding dues of micro and small enterprises | 3.16 |
| Total outstanding dues of creditors other than micro and small enterprises | 108.43 |
| **Total** | **111.59** |

*** Ageing for trade payables outstanding as at March 31, 2023 is as follows**

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not Due | Less than 1 year | 1 – 2 Years | 2 – 3 Years | More than 3 years | |
| MSME | - | - | 3.16 | - | - | - | **3.16** |
| Others | 56.68 | - | 47.62 | 1.01 | 1.18 | 1.94 | **108.43** |
| Disputed dues - MSME | - | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - | - |
| **TOTAL** | **56.68** | - | **50.78** | **1.01** | **1.18** | **1.94** | **111.59** |

* For the purpose of ageing original date of acquired trade payables has been considered.

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex BAPL Limited

**Notes to the standalone financial statements *(Continued)***
*as at 31st March, 2023*
(Currency: Indian Rupees in crores)

**Micro, Small and Medium Enterprises Development Act, 2016**

Disclosure of amount due to suppliers under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)" is as under:

| **Particulars** | **31 March 2023** |
|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 3.16 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - |
| | **3.16** |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act | - |
| Interest accrued and remaining unpaid at the end of each accounting year | - |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act | - |
| **Total outstanding dues of micro and small enterprises** | **3.16** |

- Refer Note 41 C.

**Note :**

**(i) Payment to auditors***

| **Particulars** | **31 March 2023** |
|---|---|
| **As Auditor:** | |
| For statutory audit fees (Standalone Financial Statements & Consolidated Financial Statements) | 0.39 |
| For other services ( Tax Audit Fees ) | 0.05 |
| | **0.44** |

* excluding taxes. The above is included in trade payables.

PIPARA & CO LLP CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in crores)

**22 Revenue from operations**

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| Sale of products | |
| Finished goods | 8.97 |
| Sale of services | 0.03 |
| **Total Revenue from Operations** | **9.00** |

The Company is primarily engaged in the business of manufacture and distribution of plastic products and revenue from such products is derived from transfer at a point in time which is shown under sale of products as above.

**23 Other income**

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| Interest income from banks | 0.08 |
| Net gain on foreign currency transactions and translation (other than considered as finance cost) | 0.08 |
| **Total** | **0.16** |

**24 Cost of materials consumed**

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| Inventory of materials at the beginning of the period | - |
| Add: Additions Pursuant to Reverse Merger | 27.42 |
| Add: Purchases during the period | 1.30 |
| Less: Inventory of materials at the end of the period | 27.22 |
| **Total** | **1.50** |

**25 Changes in inventories of finished goods,stock-in-trade and work-in-progress**

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| **Inventories at the end of the period** | |
| Finished goods | 18.94 |
| Work in progress | 10.53 |
| | **29.48** |
| **Inventories at the beginning of the period** | |
| Finished goods | - |
| Work in progress | - |
| | - |
| **Inventories (transfer pursuant to reverse merger)** | |
| Finished goods | 21.53 |
| Work in progress | 11.00 |
| | **32.53** |
| **Total** | **3.06** |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in crores)

26 **Employee benefits expense**

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| Salaries, wages and bonus | 0.38 |
| Contribution to provident and other funds | 0.08 |
| Staff welfare expenses | 0.01 |
| **Total** | **0.47** |

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| During the year, the company has recognised the following amounts in the statement of profit and loss: | |
| Employer's Contribution to Provident Fund | 0.03 |
| Employer's Contribution to Employees State Insurance | 0.02 |
| Employer's Contribution to Supperannuation Fund / Gratuity | 0.03 |
| **Total expenses recognised in the statement of profit and loss** | **0.08** |

27 **Finance costs**

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| Interest on borrowings | |
| - on Bank Loan | 0.11 |
| - on Loan (Related Party) | 0.17 |
| - on OCD (Related Party) | 0.00 |
| **Total** | **0.28** |

28 **Depreciation and amortisation expenses**

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| Depreciation on property, plant and equipment | 0.02 |
| Depreciation of right-of-use assets | 0.00 |
| Amortisation on intangible assets | 0.00 |
| **Total** | **0.02** |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in crores)

## 29 Other expenses

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| Consumption of stores and spare parts | 0.41 |
| Power and fuel | 0.36 |
| Repairs and maintenance | |
| - Plant & Machinery | 0.02 |
| Insurance | 0.02 |
| Travelling and conveyance expenses | 0.27 |
| Payment to auditors | 0.02 |
| Telephone and communication expenses | 0.09 |
| Advertisement and sales promotion expenses | 0.35 |
| Job work charges | 0.29 |
| Legal and professional expenses | 0.18 |
| Transportation costs | 0.55 |
| Security Charges | 0.01 |
| Miscellaneous expenses | 0.10 |
| **Total** | **2.67** |

## 30 Income tax expenses

### A. Income tax (income) / expense recognised in the Statement of Profit and Loss

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| **Current tax expenses** | |
| Current tax on profits for the year | - |
| Short/(excess) provision of tax for earlier year | - |
| **Total current tax (A)** | - |
| **Deferred tax expenses** | |
| Attributable to– | |
| (Decrease)/Increase in deferred tax liabilities | - |
| MAT Credit entitlement | - |
| | - |
| **Income tax expenses** | - |

### B. Income tax expense / (income) recognised in other comprehensive income

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| **Current tax** | |
| Current tax on realized gain during the year | - |
| Short/(excess) provision of tax for earlier year | - |
| **Deferred tax :** | |
| Attributable to :- | |
| Decrease/(Increase) in deferred Tax Asset | - |
| MAT Credit Entitlement | - |
| | - |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

**C. Income Tax expense in the statement of profit and loss**

Reconciliation of the tax expense and the accounting profit for the year is as under:

| Particulars | 31 March 2023 |
|---|---|
| **Profit before tax** | **1.16** |
| Enacted tax rate in India | **25.17%** |
| Expected income tax expense at statutory tax rate | 0.29 |
| Less : Unabsorbed Depreciation | (0.29) |
| **Computed Expected Tax expense** | - |

The Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 dated September 20, 2019. Accordingly, during the year ended March 31, 2023, the Company has recognised provision for income tax and remeasured its deferred tax assets basis the rate prescribed thereby (lower tax rate of 22%, effective rate of 25.168%) and the related impact (if any) is recognised in the statement of profit and loss. The lower rate is applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable for the Company, since opting to apply the lower tax rate.

**30 D Components of deferred tax asset and liability**

| Particulars | 31 March 2023 |
|---|---|
| **(a) Deferred tax assets** | |
| Property, plant and equipment | 70.31 |
| Provision for Gratuity Liability | 3.49 |
| Provision for Leave Encashment Liability | 1.94 |
| Provision Bonus Payable | 0.41 |
| **Total** | **76.15** |
| **(b) Deferred tax liabilities** | - |
| **Net Deferred tax assets*** | - |

* The company had an available deferred tax asset of Rs. 76.15 crores on account of the reverse merger, however, the management has has not recognised deferred tax assets since there is an uncertainty of near future sufficient taxable profit against which deferred tax assets can be recovered, hence the deferred tax assets are restricted to Nil

**Tax losses carried forward**

| Particulars | Amount | Expiry Date (Assessment |
|---|---|---|
| Unabsorbed Depreciation | 450.15 | Unlimited |
| Unabsorbed Business Loss ( A.Y. 2020-21 ) | 290.74 | A.Y. 2028-29 |
| Unabsorbed Capital Loss ( A.Y. 2016-17 ) | 474.46 | A.Y. 2024-25 |
| Unabsorbed Capital Loss ( A.Y. 2017-18 ) | 0.76 | A.Y. 2025-26 |
| **TOTAL** | **1,216.10** | |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex BAPL Limited

**Notes to the standalone financial statements** ***(Continued)***
***From September 27, 2022 to March 31, 2023***
(Currency: Indian Rupees in crores)

**31 Earnings per share**

| **Particulars** | **31 March 2023** |
|---|---|
| Face value per equity share (in Rs.) | 10 |
| (a) Profit for the year attributable to equity shareholders | 1.16 |
| (b) Number of equity shares at the beginning of the year | - |
| (c) Equity shares issued during the year | 1,13,308 |
| (d) Number of equity shares at the end of the year | 1,13,308 |
| (e) Weighted average number of equity shares for calculating basic earnings per share | 1,13,308 |
| (f) Shares deemed to be issued on conversion of OCD | 37,07,01,000 |
| (g) Weighted average number of equity shares for calculating diluted earnings per share | 37,08,14,308 |
| (h) Profit / (Loss) for the year (adjusted for diluted EPS calculation) | 1.16 |
| **Earnings per share (Rs.):** | |
| Basic earnings per share | **102.76** |
| Diluted earnings per share | **0.03** |

**Note :**

Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex-BAPL Limited

**Notes to the standalone financial statements *(Continued)***
*as at 31st March, 2023*
(Currency: Indian Rupees in crores)

## 32 Contingent liabilities and contingent assets

| Particulars | | 31 March 2023 |
|---|---|---|
| (i) | **Contingent liabilities** | |
| | **Direct taxes :** | |
| | In respect of matters decided against the Company, for which the Company is in appeal with higher authorities, Wherein the company believes there would be no future cash outflows. | 8.27 |

The Company does not expect any re-imbursements in respect of the above contingent liabilities.

## 33 Commitments

| Particulars | 31 March 2023 |
|---|---|
| **Capital Commitments** | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - |

## 34 Segment information

The Company is primarily engaged in the business of manufacture and distribution of plastic products. In accordance with Ind AS 108 "Operating Segments", the Company has presented segment information on the basis of consolidated financial statements, hence not shown under standalone financial statements.

PIPARA & CO LLP
CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in crores)

**35 Related party disclosures**

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Company are as follows.

**(a) Entity Having Significant Influence** — **As at 31.03.2023**

| | | |
|---|---|---|
| Balkrishan Goenka, Trustee of Welspun Group Master Trust | Shareholder | 44.86% |

**(b) Parent Entity**

Welspun Corp Limited — 100%

**(c) Key Managerial Personnel ("KMP")**

| | |
|---|---|
| Mr. Altaf Jiwani, Director | ( w.e.f November 18, 2022 upto March 29, 2023) |
| Mr. Percy Birdy, Director | ( w.e.f November 18, 2022 upto March 29, 2023) |
| Mr. Mohan Manikkan, Director | ( w.e.f November 18, 2022 upto March 29, 2023) |
| Mr. Rajesh Mandawewala, Non-Executive Director | (w.e.f. March 29, 2023) |
| Mr. Yashovardhan Agarwal, Non-Executive Director | (w.e.f. March 29, 2023) |
| Mr. Arun Todarwal, Independent Director | (w.e.f. March 29, 2023) |
| Mr. Chirag Goenka, Chief Financial Officer | (w.e.f. April 01, 2023) |
| Mr. Jignesh Raval, Chief Financial Officer | (upto March 31, 2023) |
| Mr. Yash Sheth, Company Secretary | (w.e.f. March 29, 2023) |

**(d) Other related parties**

| Nature of Relationship | Name | Principal Place of Business |
|---|---|---|
| Subsidiary companies | Sintex Holdings B.V. | Netherlands |
| Step down subsidiaries | Sintex Logistics, LLC | U.S.A. |
| Fellow subsidiary | | |
| Enterprises over which Key Managerial Personnel are able to exercise significant influence / control | Welspun BAPL Pvt. Ltd.<br>( Formerly known as Plastauto Private Limited) | India |

**(a) Transactions with related parties:**

| Nature of transactions | Year | Nature of Relationship | | | | | |
|---|---|---|---|---|---|---|---|
| | | Subsidiaries | Holding Company | Fellow Subsidiaries | Entities over which KMP exercise significant influence / control | KMP | Total |
| **Issue of Optional convertible Debentures (OCD)** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 370.70 | | | | 370.70 |
| **Repayment of Optional convertible Debentures (OCD)** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 40.00 | | | | 40.00 |
| **Interest on Loan** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 0.17 | | | | 0.17 |
| **Interest on OCD** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 0.00 | | | | 0.00 |
| **Loan Received** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 100.00 | | | | 100.00 |
| **Loan Repaid** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 100.00 | | | | 100.00 |
| **Guarantee Fees** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 0.01 | | | | 0.01 |

PIPARA & CO LLP
CHARTERED ACCOUNTANTS

# Sintex-BAPL Limited

**Notes to the standalone financial statements *(Continued)***

*as at 31st March, 2023*

(Currency: Indian Rupees in crores)

**(b) Balance as at 31st March, 2023**

| Nature of transactions | Year | Nature of Relationship | | | | | |
|---|---|---|---|---|---|---|---|
| | | Subsidiaries | Holding Company | Fellow Subsidiaries | Entities over which KMP exercise significant influence / control | KMP | Total |
| **Trade receivable** | | | | | | | |
| - Sintex Logistics, LLC | 2023 | 18.86 | | | | | 18.86 |
| **Investment in subsidiary** | | | | | | | |
| - Sintex Holding BV | 2023 | 8.29 | | | | | 8.29 |
| **Instrument in the nature of equity (OCD)** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 330.70 | | | | 330.70 |
| **Other Financial Assets** | | | | | | | |
| - Welspun BAPL Pvt. Ltd. ( Formerly known as Plastauto Private Limited) | 2023 | | | | 50.00 | | 50.00 |
| **Other Financial Liability** | | | | | | | |
| - Welspun Corp Limited (Interest on Loan) | 2023 | | 0.16 | | | | 0.16 |
| - Welspun Corp Limited (Guarantee Fees Payable) | 2023 | | 0.01 | | | | 0.01 |

**Terms and conditions:**

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

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**36 Disclosures for employee benefits**

**a) Defined contribution plans:**

The Company operates defined contribution retirement benefit plans for all qualifying employees. The assets of the plans are held separately from those of the Company in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

**b) Defined benefit plans:**

The Company sponsors funded defined benefit plans for qualifying employees of its Company. The defined benefit plans are administered by a separate fund that is legally separated from the entity. The board of the fund is composed of an equal number of representatives from both employers and (former) employees. The board of the fund is required by law and by its articles of association to act in the interest of the fund and of all relevant stakeholders in the scheme, i.e. active employees, inactive employees, retirees, employers. The board of the fund is responsible for the investment policy with regard to the assets of the fund.

Under the Gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 60 (58 years for remaining business ) subject to ceiling of Rs. 0.20 Cores. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years. Under the Compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

The defined benefit pension plans requires contributions from employees. Contributions are in the following two forms; one is based on the number of years of service and the other one is based on a fixed percentage of salary of the employees.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance company. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31 March 2023 by M/S Kapadia, Actuaries & Consultants . The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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(Currency: Indian Rupees in crores)

**A. Gratuity**

The principal assumptions used for the purposes of actuarial valuation were as follows:

| Particulars | 31 March 2023 |
|---|---|
| Discount rate | 7.40% |
| Expected rate(s) of salary increase | |
| | 7% |
| | 7% |
| Attrition rate | 10-25% P.a. at Younger Age. Reducing to 3% at older age |
| Mortality rate | Indian Assured Lives Mortality (2012-14) Table |

The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans are as follows:

| Particulars | 31 March 2023 |
|---|---|
| Present value of funded defined benefit obligation | 15.54 |
| Fair value of plan assets | (1.69) |
| **Net liability arising from defined benefit obligation** | 13.85 |
| Non-current | 12.61 |
| Current | 1.23 |

Movement in the present value of the defined benefit obligation are as follows:

| Particulars | 31 March 2023 |
|---|---|
| Opening defined benefit obligation | 13.89 |
| Transferred pursuant to scheme of arrangement | - |
| Current service cost | 1.16 |
| Interest cost | 0.91 |
| Remeasurement (gains)/losses: | |
| Actuarial gains and losses arising from changes in financial assumptions | (0.54) |
| Actuarial gains and losses arising from change in demographic assumption | - |
| Actuarial gains and losses arising from experience adjustments | 0.74 |
| Past Service Cost | - |
| Benefits paid | (0.61) |
| **Closing defined benefit obligation** | 15.54 |

Movement in the fair value of the plan assets are as follows:

| Particulars | 31 March 2023 |
|---|---|
| Opening fair value of plan assets | 0.92 |
| Transferred pursuant to scheme of arrangement | - |
| Interest income | 0.06 |
| Return on plan assets less loss on investments (excluding amounts included in interest income) | (0.05) |
| Remeasurement - Actuarial (gains)/losses | - |
| Contribution from the employer | 1.38 |
| Transfer of assets | - |
| Benefits paid | (0.61) |
| **Closing fair value of plan assets** | 1.70 |

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(Currency: Indian Rupees in crores)

Composition of the plan assets

| Particulars | 31 March 2023 |
|---|---|
| Insurance policy | 98% - 100% |
| Bank balance | 0% - 2% |
| **Total** | **100%** |

**Sensitivity analysis:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

| Particulars | 31 March 2023 | |
|---|---|---|
| | Increase | Decrease |
| Discount rate (0.5% movement) | 1.19 | 2.24 |
| withdrawal rate (0.5% movement ) | 1.72 | 1.67 |
| Future salary growth (0.5% movement) | 2.21 | 1.21 |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analyzed in terms of risk-and-return profiles. Investment and contribution policies are integrated within this study.

The expected benefit payments is as follows:

| Defined benefit obligation | 31 March 2023 |
|---|---|
| Less than 1 year | 2.15 |
| Between 1-2 years | 1.39 |
| Between 2-5 years | 4.89 |
| Over 5 years | 7.25 |
| **Total** | **15.68** |

**B Other long term employee benefits:**

The principal assumptions used for the purposes of actuarial valuation were as follows:

| Particulars | 31 March 2023 |
|---|---|
| Discount rate | 7.40% |
| Salary growth rate | 7.00% |
| Withdrawal rates | 10-25% P.a. at Younger Age. Reducing to 3% at older age |

**Note:**

The amount disclosed in the balance sheet is allocated basis the liability as on 31st March, 2023

PIPARA & CO LLP CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in crores)

**37 Financial instruments fair value and risk measurements**

**A. Financial instruments by category and their fair value**

| As at 31 March 2023 | Carrying amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVOCI | Amortised Cost | Total | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total |
| **Financial assets (Current)** | | | | | | | | |
| Trade Receivables | | | 20.41 | 20.41 | | | 20.41 | **20.41** |
| Cash and Cash Equivalents | | | 74.28 | 74.28 | | | 74.28 | **74.28** |
| Other Bank Balances | | | 102.96 | 102.96 | | | 102.96 | **102.96** |
| Other financial assets | | | 51.34 | 51.34 | | | 51.34 | **51.34** |
| **Financial assets (Non-current)** | | | | | | | | |
| - Investment in subsidiary | | | 8.29 | 8.29 | | | 8.29 | **8.29** |
| - Others financial assets | | | 2.46 | 2.46 | | | 2.46 | **2.46** |
| **Total financial assets** | - | - | **259.74** | **259.74** | - | - | **259.74** | **259.74** |
| **Financial liabilities** | | | | | | | | |
| Borrowings | | | | | | | | |
| - Non-current | - | - | 147.90 | 147.90 | | | 147.90 | **147.90** |
| - Current | - | - | - | - | | | - | - |
| Other financial liabilities | | | | | | | | |
| - Current | - | - | 13.06 | 13.06 | | | 13.06 | **13.06** |
| Trade Payables | - | - | 111.59 | 111.59 | | | 111.59 | **111.59** |
| **Total financial liabilities** | - | - | **272.55** | **272.55** | - | - | **272.55** | **272.55** |

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost. Further, impact of time value of money is not significant for the financial instruments classified as current. Accordingly, the fair value has not been disclosed separately.

**Types of inputs for determining fair value are as under:**

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

(Currency: Indian Rupees in crores)

Valuation techniques of financial instruments measured at fair value

The following tables show the valuation techniques used in measuring Level 2 fair values.

| | |
|---|---|
| **Derivative Assets** | It is valued using valuation techniques, which employs the use of market observable inputs i.e. observable foreign exchange rates at the end of the reporting period. |

**ii) Transfers between Levels 1 and 2**

There have been no transfers between Level 1 and Level 2 during the reporting periods.

**B. Financial risk management**

The Company has a well-defined risk management framework. The Company's Corporate finance department provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures by degree and magnitude of risks. The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

**(i) Credit risk**

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the company. The potential activities where credit risks may arise include from cash and cash equivalents, derivative financial instruments and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Company along with relevant mitigation procedures adopted have been enumerated below:

**Trade receivables**

The average credit period on sales of goods is 0 to 180 days. Credit Risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit wothiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large.

**Age of Receivables**

| Particulars | As at 31 March 2023 |
|---|---|
| Not Due | 4.50 |
| 0-3 Months | 6.01 |
| 3-6 Months | 9.15 |
| 6-12 Months | 0.72 |
| more than 365 days | 0.02 |
| **Total** | **20.41** |

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(Currency: Indian Rupees in crores)

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company uses publicly available financial information and its own trading records to rate its major customers. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The above receivables which are past due but not impaired are assessed on case-to-case basis. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. There are no other classes of financial assets that are past due but not impaired.

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

| Particulars | 31 Mar 2023 |
|---|---|
| India | 1.54 |
| Other regions | 18.86 |
| | **20.41** |

## Other financial assets

Other financial assets includes loan to employees, security deposits, investments, cash and cash equivalents, other bank balance, derivative asset, advances to employees etc.

• Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating.

• The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

## (iii) Liquidity risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

## Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

| As at 31 March 2023 | Carrying amount | Contractual maturities | | | | |
|---|---|---|---|---|---|---|
| | | Total | Upto 1 Year | 1 - 3 Years | 3 - 5 Years | > 5 Years |
| **Non-derivative financial liabilities** | | | | | | |
| Non current borrowings | 147.90 | 147.90 | 0.17 | 19.52 | 42.52 | 85.69 |
| Current borrowings | - | - | - | - | - | - |
| Trade payables | 111.59 | 111.59 | 111.59 | - | - | - |
| Current financial liabilities | 13.06 | 13.06 | 13.06 | - | - | - |
| **Total** | **272.55** | **272.55** | **124.82** | **19.52** | **42.52** | **85.69** |

PIPARA & CO LLP × CHARTERED ACCOUNTANTS ×

# Sintex-BAPL Limited

**Notes to the standalone financial statements *(Continued)***

*as at 31st March, 2023*

(Currency: Indian Rupees in crores)

### (iv) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.

### Currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts and currency options taken at the time of initiation of the booking by the management. Such decision is taken after considering the factors such as upside potential, cost of structure and the downside risks etc. Quarterly reports are submitted to Management Committee on the covered and open positions and MTM valuation. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

| **Unhedged foreign currency exposure** | | **As at 31 March 2023** | | **(Rs in Crores)** |
|---|---|---|---|---|
| **Particulars** | | **Foreign currency amount in INR** | **INR** | **Total** |
| **Financial assets** | | | | |
| Non-current | | | | |
| Investments | € | 8.29 | - | **8.29** |
| Current | | | | |
| Trade receivables | $ | 18.86 | 1.54 | **20.41** |
| Cash and cash equivalents | | - | 177.24 | **177.24** |
| Other financial assets | | - | 51.34 | **51.34** |
| Other current assets | | - | 20.82 | **20.82** |
| **Total** | | **27.15** | **250.94** | **278.09** |
| **Financial liabilities** | | | | |
| Non-current | | | | |
| Borrowings | | - | 147.90 | **147.90** |
| Current | | | | |
| Borrowings | | - | - | - |
| Trade payables | | - | 111.59 | **111.59** |
| Others | | - | 13.06 | 13.06 |
| **Total** | | - | **124.65** | 124.65 |
| **Net exposure** | | (27.15) | (126.29) | (153.44) |
| **Hedge foreign currency risk** | | - | - | - |
| **Unhedged foreign currency risk** | | (27.15) | (126.29) | (153.44) |
| **Sensitivity impact on net liabilities / (assets) exposure at 10%** | | (2.72) | (12.63) | (15.34) |

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The Company is mainly exposed to USD and EURO currency. The above table details the Company's sensitivity to a 10% increase and decrease in the INR against relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency risk denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A negative number below indicates an increase in profit/equity where the INR strengths 10% against the relevant currency. For a 10% weakening of the INR against the relevant currency, there would be a comparable impact on the profit/equity and the balances below would be positive.

### Price risk

The Company's exposure to price risk in the investment in mutual funds and classified in the balance sheet as fair value through profit or loss including OCI. Management monitors the prices closely to mitigate its impact on profit and cash flows.

### Interest rate risk

The Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Company has exposure to interest rate risk, arising principally on changes in PLR and LIBOR rates. The Company uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible debentures and short term loans. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

### Exposure to interest rate risk

The interest rate profile of the Company's interest - bearing financial instrument as reported to management is as follows:

| | 31 March 2023 |
|---|---|
| **Fixed-rate instruments** | |
| Financial assets | 102.96 |
| Financial liabilities | 147.90 |
| **Variable-rate instruments** | |
| Financial assets | - |
| Financial liabilities | - |

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(Currency: Indian Rupees in crores)

### Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table provides a break-up of the Company's fixed and floating rate borrowings and interest rate sensitivity analysis.

| Particulars | Profit or (Loss) before tax | |
|---|---|---|
| | 50 bp Increase | 50 bp decrease |
| **31 March 2023** | | |
| Fixed rate borrowings | 0.74 | (0.74) |
| Variable rate borrowings | - | - |
| **Total** | 0.74 | (0.74) |

## 38 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt and total equity of the Company.

The gearing ratio at the end of the reporting period was as follows.

| Particulars | 31 March 2023 |
|---|---|
| Debt* | 150.00 |
| Less : Cash and bank balances | 74.28 |
| **Net Debt** | 75.72 |
| **Total equity** | 397.21 |
| **Net debt to equity ratio** | 0.19 |

* Includes non-current borrowings and current borrowings

The company has complied with all covenants.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023

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(Currency: Indian Rupees in crores)

**39 Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:**

| Particulars | 31 March 2023 |
|---|---|
| Revenue as per contracted price | 9.00 |
| **Revenue from contract with customers** | **9.00** |

**40 Ratios**

The following are analytical ratios for the year ended March 31, 2023

| Particulars | Numerator | Denominator | 31st March 2023 | Reasons for Variance (in case of deviation for more than 25%) |
|---|---|---|---|---|
| Current Ratio | Current assets | Current liabilities | 2.27 | Not Applicable |
| Debt – Equity Ratio | Total Debt | Total Equity | 0.37 | |
| Debt Service Coverage Ratio | Earnings available for debt service | Debt Service | 5.23 | |
| Return on Equity (ROE) | Loss for the year | Shareholder's Equity | 0.00 | |
| Inventory Turnover Ratio | Cost of Material Consumed | Closing Inventory | 0.08 | |
| Trade receivables turnover ratio | Revenue from operations | Closing Trade Receivable | 0.44 | |
| Trade payables turnover ratio | Purchases of goods and services | Closing Trade Payables | 0.01 | |
| Net capital turnover ratio | Revenue from operations | Working Capital | 0.05 | |
| Net profit ratio | Loss for the year | Revenue from operations | 13% | |
| Return on capital employed (ROCE) | Earning before interest and taxes | Capital Employed | 0% | |
| Return on Investment(ROI) | Earning before interest and taxes | Total Assets | 0% | |

1. Total debt = Non-current borrowings and Current borrowings
2. Earning for debt service = Profit for the year + Non-cash operating expenses like depreciation and other amortisations + Interest expenses
3. Debt service = Interest and principal repayments including lease payments
4. Cost of Goods Sold = Cost of material consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in progress
5. Working capital =Current assets (-) Current liabilities
6. Capital employed = Tangible net worth + Total debt + Deferred tax liability

**40A** The Board of Directors of the Company on March 29, 2023, have considered and approved the Scheme of Amalgamation of Mahatva Plastic Products Private Limited ("the Transferor Company") with Sintex-BAPL Limited ("the Transferee Company") and their respective shareholders, by way of merger by absorption pursuant to a scheme of amalgamation under the provision of Sections 230 - 232 of the Companies Act, 2013 and other applicable regulatory requirements having the Appointed Date as March 29, 2023.

PIPARA & CO LLP CHARTERED ACCOUNTANTS

**41 A. Implementation of Corporate Insolvency Resolution Plan and scheme of arrangement between Propel Plastic Products Private Limited and Sintex-BAPL Limited:**

The Company went into Corporate Insolvency Resolution Process as on December 18, 2020, and on March 17, 2023, Hon'ble National Company Law Tribunal, Ahmedabad Bench, approved the resolution plan under Insolvency and Bankruptcy code (''IBC'').

As per the approved resolution plan, Propel Plastic Products Private Limited ("Propel") (wholly owned subsidiary of Welspun Corp. Limited) being the implementing entity agreed to pay consideration of Rs. 406.43 crores to acquire 100% shareholding of the Company and its plastic business by way of reverse merger of Propel with the Company by way of the scheme of arrangement (''Scheme'') approved by Hon'ble NCLT.

On March 29, 2023, the resolution plan stood implemented and new board of Directors had been constituted.

The acquisition of SBAPL fits into company's strategy to expand the Plastic Product Business while expanding its distribution channel and leverage the company's presence and strengths.

As per scheme, Propel merged into and with the Company as amalgamation. This has been treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103, with Propel as the accounting acquirer/ legal acquiree and Company as the accounting acquiree/ legal acquirer. These financial statements reflect the assets and liabilities of Propel measured at their pre-acquisition carrying value and acquisition date fair value of the identified assets acquired and liabilities taken over with respect to the Company.

Pursuant to the scheme, the Company has issued 113,308 Equity shares of Rs. 10 each (equivalent to the Networth of Propel) to the shareholders of the Propel. Further, the existing share capital held by shareholders of the company were cancelled/written back upon implementation of the scheme.

**Fair value of identifiable assets and liabilities in respect of business combination is provided below:**

| No. | Particulars | INR in Crores |
|---|---|---|
| A | Consideration transferred | |
| | Cash | 406.43 |
| | **Total Consideration (A)** | **406.43** |

PIPARA & CO LLP
CHARTERED ACCOUNTANTS

Sintex-BAPL Limited

**Notes to the standalone financial statements *(Continued)***

*as at 31st March, 2023*

(Currency: Indian Rupees in crores)

| B | Fair value of identifiable assets and liabilities recognised as a result of the Reverse Acquisition | INR in Crores |
|---|---|---|
| | **Particulars** | |
| | **Non-current Assets** | |
| | Property, plant, and equipment, ROU Assets, Intangible Assets | 363.36 |
| | Investment in Subsidiary | 8.29 |
| | Other financial assets | 2.46 |
| | Other Non-Current Assets | 0.04 |
| | **Current Assets** | |
| | Inventories | 62.68 |
| | Trade Receivables | 20.41 |
| | Cash and cash equivalent, and Other bank balance | 139.79 |
| | Other financial assets | 13.18 |
| | Current tax assets | 11.15 |
| | Other current assets | 24.15 |
| | **Total assets (a)** | **645.51** |
| | **Non-current Liabilities** | |
| | Provisions | 18.88 |
| | **Current liabilities** | |
| | Trade payables | 121.63 |
| | Other financial liabilities | 11.03 |
| | Provisions | 2.22 |
| | Other current liabilities | 20.32 |
| | **Total liabilities (b)** | **174.08** |
| | **Fair value of identifiable net assets (B) = ( a - b )** | **471.43** |
| C | **Capital Reserve C = ( A - B )** | **(65.00)** |

Capital reserve represents the gain on bargain purchase which is directly recognized in other equity as capital reserve. The acquisition date fair value of accounting acquiree's identifiable assets and liabilities are based on independent valuations obtained by the Company.

**B. Corporate Insolvency Resolution process (CIRP) dues are classified as below *** **INR in Crores**

| Particulars | as at 31.03.2023 |
|---|---|
| Trade payable | 92.92 |
| Provisions | 2.20 |
| Other current liabilities | 2.70 |
| **Total** | **97.82** |

*Corresponding Bank balance has been earmarked and disclosed under Other Bank balances.

**C.** As per the approved resolution plan, on and from March 29, 2023, upon payment made to financial creditors, the Company shall at no point of time be, directly or indirectly, held responsible or liable to make any further payments. Upon payment made to operational creditors, all claims, debt, and liabilities including contingent liabilities of the Company stands discharged, settled, extinguished in full and reduced to NIL.

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**42 Additional regulatory requirements under Schedule III**

**(i) Details of Benami Property held**

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**(ii) Borrowing secured against current assets**

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

**(iii) Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**(iv) Relationship with struck off companies**

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(v) Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

**(vi) Compliance with approved scheme(s) of arrangements**

Accounting in these financial statements has been done in accordance with the accounting treatment prescribed in the Resolution plan approved by the NCLT which is in line with the accounting treatment prescribed by Ind AS 103 for reverse acquisition business combinations.

**(vii) Utilization of borrowed fund and share premium**

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

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(Currency: Indian Rupees in crores)

### (viii) Undisclosed Income

There is no income surrendered or disclosed as income during the current year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

### (ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current year.

### (x) Valuation of Property Plant and Equipment and Intangible asset

The Company has not revalued its property, plant and equipment (including Right-of-Use assets) or intangible assets during the current year.

### (xi) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties, as disclosed in Note No. 4 on property, plant and equipment are held in the name of the Company, except for the following:

| Relevant line item in the balance sheet | Description of item of property | Gross Carrying value (Amount in Crores) | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the company (also indicate if in dispute) |
|---|---|---|---|---|---|---|
| Property Plant and Equipment | Freehold Land (Location - Saij) having Survey No. 204/1, 205/1, 208, 211, 214 | 27.41 | Sintex Prefab and Infra Limited | Sintex Prefab and Infra Ltd was the former Fellow Subsidiary of Sintex-BAPL Limited. | March 23, 2017 (Date of Demerger of Sintex-BAPL Limited and Sintex Industries Limited, pursuant to which the land was received) | The tile deed and land records were not updated after merger. The company is in process of updating the same. |
| Property Plant and Equipment | Freehold Land (Location - Kalol) having Survey No. 335, 344 P2, 205/2 | 27.32 | Sintex Industries Limited | Sintex Industries Limited was the former holding company of Sintex-BAPL Limited. | March 23, 2017 (Date of Demerger of Sintex-BAPL Limited and Sintex Industries Limited, pursuant to which the land was received) | The tile deed and land records were not updated after merger. The company is in process of updating the same. |

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# Sintex-BAPL Limited

## Notes to the standalone financial statements *(Continued)*

*as at 31st March, 2023*

(Currency: Indian Rupees in crores)

**43** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The draft rules for the Code on Social Security, 2020 have been released by the Ministry of Labour and Employment on November 13, 2020. The Company is in the process of assessing the additional impact on Provident Fund contributions and on Gratuity liability contributions and will complete their evaluation and give appropriate impact in the standalone financial statements in the period in which the rules that are notified become effective.

**44** **Core Investment Companies (CIC)**

Management has assessed that there are three CIC in the Group ('Companies in the Group' is as defined in Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, as amended)

**45** As Sintex BAPL is the legal acquirer however accounting acquirer is Propel and hence it has been accounted as reversed merger. Accordingly, post merger financial reflects profit and loss of SBAPL from effective date i.e, March 29, 2023. The comparative financial information has not been given as propel was incorporated during the year.

**As per our attached report of even date.**

**For Pipara & Co LLP**
Chartered Accountants
Firm's Registration No: 107929W/W100219

**Naman Pipara**
Partner
Membership No: 140234
**UDIN: 23140234BGQHNB3758**

**Place -** Ahmedabad
**Date -25-05-2023**

**For and on behalf of the Board of Directors of**
**Sintex-BAPL Limited**
**CIN U25199GJ2007PLC051364**

**Rajesh Mandawewala**
Director
DIN No. 00007179

**Place -** Mumbai
**Date -25-05-2023**

**Yashovardhan Agarwal**
Director
DIN No. 032011711

**Place -** Mumbai
**Date -25-05-2023**

**Chetan Joshi**
*President F&A*

**Samir Joshipura**
*Chief Executive Officer*

**Yash Sheth**
Company Secretary
ICSI M.No. A36328

**Place -** Ahmedabad
**Date -25-05-2023**

**Chirag Goenka**
Chief Financial Officer

**Place -** Ahmedabad
**Date -25-05-2023**

# Independent Auditor's Report on Consolidated Financial Statements of Sintex-BAPL Limited for the financial year ended 31st March, 2023

To
The Members of
Sintex-BAPL Limited
(CIN: U25199GJ2007PLC051364)

## Opinion

We have audited the accompanying Consolidated Financial Statements of **Sintex BAPL Limited** (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group" as mentioned in Annexure to this report), which comprise the consolidated balance sheet as at 31st March, 2023, and the consolidated statement of profit & loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of financial statements of such subsidiaries based on management certified accounts for entities where an external auditor was not mandated, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

## Basis for Opinion

We conducted our audit of Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the



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**Mumbai Office :** #3, 13th Floor, Tradelink, 'E' Wing, A-Block, Kamala Mills, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, India

**New York Office :** 1270, Ave of Americas, Rockfeller Center, FL7, New York - 10020 USA +1 (646) 387 - 2034

**Delhi Office :** 1602, Ambadeep Building, KG Marg, Connaught Place, Delhi-110001 India

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ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note 1 and 44 of the Consolidated Financial Statements, wherein petition for initiation of Corporate Insolvency Resolution Process under Section 9 of the Insolvency and Bankruptcy Code, 2016 filed by operational creditor had been admitted against the holding company vide Hon'ble National Company Law Tribunal Ahmedabad bench's order dated 18.12.2020. Hon'ble National Company Law Tribunal, Ahmedabad Bench, approved the resolution plan under Insolvency and Bankruptcy code ("IBC") dated 17th March 2023. As per the approved resolution plan, Propel Plastic Products Private Limited ("Propel") (wholly owned subsidiary of Welspun Corp. Limited) being the implementing entity, agreed to pay a consideration of Rs. 406.43 crores to acquire 100% shareholding of the holding company and its plastic business by way of reverse merger of Propel with the holding company, by way of the scheme of arrangement ("Scheme") approved by Hon'ble NCLT. As per the scheme, Propel merged into and with the Company as an amalgamation.

As per approved CIRP resolution plan, Propel became the accounting acquirer while Sintex-BAPL Limited remained as a legal acquirer; pursuantly the financial statements of Sintex-BAPL Limited and its subsidiaries have been included from the effective date of March 29, 2023.

The comparative financial information of Propel Plastic Products Private Limited as an accounting acquirer (pursuant to the reverse merger as per approved CIRP resolution plan) is not disclosed since Propel was incorporated on September 27, 2022 and hence comparative reporting is inapplicable. The accompanying Consolidated financial statements reflect the assets and liabilities of Propel measured at their pre-acquisition carrying value and Sintex-BAPL Limited's acquisition date fair value of the identified assets acquired and liabilities taken over, in accordance with Ind AS 103.The assets and liabilities of Sintex Holdings B.V. (Subsidiary of the holding Company) and Sintex LLC (Step down Subsidiary) have been taken at their fair values as per an expert's report.

On March 29, 2023, the resolution plan stood implemented and the new Board of Directors for the holding company stood constituted.

Our opinion is not modified in respect of these matters.

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### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is no material misstatement of other information, we are not required to report that fact.

We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these Consolidated financial statements that give a true and fair view of the Consolidated state of affairs (Consolidated financial position), Consolidated profit or loss ( Consolidated financial performance including other comprehensive income), Consolidated changes in equity and Consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The Group's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors/ Management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal

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financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

The Consolidated Financial Statements are the responsibility of the Holding Company's Management. These Consolidated Financial Statements pertain to the period wherein the Board of Directors holds the responsibility for the financial transactions and to whom any significant exceptions/ adjustments in the statements are solely attributable under the review period. The Audited Consolidated Financial Statements for the year ended 31st March, 2023 have been prepared by the Management of the Holding Company and signed by Mr. Rajesh Mandawewala -Director, Mr. Yashovardhan Agarwal -Director, Mr. Chirag Goenka - Chief Financial Officer & Mr. Yash Sheth - Company Secretary.

In preparing the Consolidated financial statements, the respective management and Board of Directors of the Companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of each company.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting

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from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and subsidiaries) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in

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i. Planning the scope of our audit work and in evaluating the results of our work; and
ii. To evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance of the Holding company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance of the holding company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

We did not audit the financial statements of 1 (One) subsidiary company (inter alia including 1 (One) step-down subsidiaries) located outside India whose financial statements reflected total assets of Rs. 40.38 crores as at 31$^{st}$ March 2023, total revenues of Rs. 58.01 crores and negative net cash inflows amounting to Rs. 11.268 crores for the year ended on that date; which as per the management have been prepared in accordance with accounting principles generally accepted in their respective countries and which have not been audited as per the applicable law in that country. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated annual financial statements, in so far as it relate to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements and disclosures thereof.

The Subsidiary Company's management has converted the financial statements of such subsidiary located outside India from Other GAAP to accounting principles generally accepted in India for the year from 1$^{st}$ April 2022 to 31$^{st}$ March 2023. Subsidiary company's management has reviewed these conversion adjustments. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the Management Certification.

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Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

**Report on other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditor on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor;

   c) The consolidated balance sheet, the consolidated statement of profit or loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of consolidated financial statements;

   d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014;

   e) On the basis of the written representations received from the directors of the holding company as on 31st March 2023 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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2. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

   a) the Consolidated financial Statements disclose the impact of pending litigations as at $31^{st}$ March 2023 on the consolidated financial position of the Group, Refer Note 30 to the consolidated financial statements;

   b) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended $31^{st}$ March 2023.

   d)

      i. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      ii. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      iii. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

e) There was no proposal of Dividend (Interim or Final) during the current financial year as well as during the previous financial year.

3. As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limit laid down under Section 197 read with Schedule V of the Act, as per shareholders approvals taken prior to the event of default.

**For Pipara & Co LLP**
Chartered Accountants
FRN: 107929W/W100219

**Date: 25-05-2023**

**Place: Ahmedabad**

**Naman Pipara**
Partner
M.No.140234
**UDIN: 23140234BGQHNC2737**

## ANNEXURE to Independent Auditor's Report on Consolidated Financial Statements for the year ended March 31, 2023

List of entities included in the Statement

1. Sintex Holdings B.V. (Netherlands) (Unaudited)
2. Sintex Logistics LLC (USA) (Unaudited)

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

**Referred to in paragraph 1(f) under the heading 'Report on other Legal and Regulatory Requirements' of the Independent Auditors' Report of even date to the members of SINTEX-BAPL LIMITED on the Consolidated Financial Statements for the year ended March 31st, 2023**

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls over financial reporting of **SINTEX-BAPL LIMITED** (hereinafter referred to as "the Holding Company"), as of **March 31st, 2023** in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements of external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Control over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2023, based on the criteria for internal control over financial reporting established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements of the Holding Company, in so far as it relates to a subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary and in cases where the components are unaudited and based overseas, no such tests have been conducted and management representations have been relied upon.

**For Pipara & Co LLP**
Chartered Accountants
FRN: 107929W/W100219

**Date: 25-05-2023**

**Place: Ahmedabad**

PIPARA & CO LLP × CHARTERED ACCOUNTANTS ×

Naman Pipara

**Naman Pipara**
Partner
M.No.140234
**UDIN: 23140234BGQHNC2737**

# Sintex BAPL Limited
## Consolidated Balance Sheet
*as at 31 March 2023*
(Currency: Indian Rupees in Crores)

| Particulars | Note | 31-Mar-23 |
|---|---|---|
| **Assets** | | |
| **Non-current assets** | | |
| (a) Property, plant and equipment | 4 | 365.24 |
| (b ) ROU Assets | 4 | 0.20 |
| (c) Other intangible assets | 5 | 0.16 |
| (d) Financial assets | | |
| (a) Other financial assets | 6 | 2.46 |
| (e) Deferred tax assets (net) | 29D | - |
| (f) Other non-current assets | 7 | 0.04 |
| | | **368.10** |
| **Current assets** | | |
| (a) Inventories | 8 | 68.34 |
| (b) Financial assets | | |
| (i) Trade receivables | 9 | 9.00 |
| (ii) Cash and cash equivalents | 10 | 78.06 |
| (iii) Bank balances other than (ii) above | 11 | 102.96 |
| (iv) Other financial assets | 6 | 62.07 |
| (c) Current tax assets (net) | 12 | 11.16 |
| (d) Other current assets | 7 | 20.84 |
| | | **352.43** |
| **Total assets** | | **720.53** |
| **Equity and liabilities** | | |
| **Equity** | | |
| (a) Equity share capital | 13 | 0.11 |
| (b) Instrument in the nature of equity | 14 | 330.70 |
| (c) Other equity | 15 | 66.56 |
| **Equity attributable to owners of the Company** | | **397.37** |
| **Liabilities** | | |
| **Non-current Liabilities** | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 16 | 148.63 |
| (b) Provisions | 18 | 19.31 |
| | | **167.94** |

*Contd...*

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex BAPL Limited
# Consolidated Balance Sheet (contd...)

***as at 31 March 2023***

(Currency: Indian Rupees in Crores)

| | | |
|---|---|---|
| **Current liabilities** | | |
| (a) Financial liabilities | | |
| (i) Borrowings | **16** | 0.13 |
| (ii) Trade payables | **20** | |
| (a) total outstanding dues of micro and small enterprises; and | | 3.16 |
| (b) total outstanding dues of creditors other than micro and small enterprises | | 109.25 |
| (iii) Other financial liabilities | **17** | 13.06 |
| (b) Provisions | **18** | 2.25 |
| (c) Other current liabilities | **19** | 27.37 |
| | | **155.22** |
| | | **323.16** |
| **Total equity and liabilities** | | **720.53** |

The above consolidated statement of balance sheet should be read in conjunction with the accompanying notes.
This is the consolidated statement of balance sheet referred to in our report of even date.

For **Pipara & Co LLP**
Chartered Accountants
FRN No: 107929W/W100219

**Naman Pipara**
Partner
M. No: 140234
**UDIN: 23140234BGQHNC2737**

**Place -** Ahmedabad
**Date -25-05-2023**

**For and on behalf of the Board of Directors of**
**Sintex-BAPL Limited**
CIN U25199GJ2007PLC051364

**Rajesh Mandawewala**
Director
DIN No. 00007179

**Place -** Mumbai
**Date -25-05-2023**

**Yashovardhan Agarwal**
Director
DIN No. 032011711

**Place -** Mumbai
**Date -25-05-2023**

**Chetan Joshi**
*President F&A*

**Samir Joshipura**
*Chief Executive Officer*

**Yash Sheth**
Company Secretary
ICSI Membership no. A36328

**Place -** Ahmedabad
**Date -25-05-2023**

**Chirag Goenka**
Chief Financial Officer

**Place -** Ahmedabad
**Date -25-05-2023**

## Sintex BAPL Limited
## Consolidated Statement of Profit and Loss
***From September 27, 2022 to March 31, 2023***
(Currency: Indian Rupees in Crores)

| Particulars | Note | *From September 27, 2022 to March 31, 2023* |
|---|---|---|
| **Continuing Operations** | | |
| **Income** | | |
| Revenue from operations | 21 | 10.16 |
| Other income | 22 | 0.15 |
| **Total Income** | | **10.31** |
| **Expenses** | | |
| Cost of materials consumed | 23 | 2.10 |
| Changes in inventories of finished goods, work-in- progress and trading goods | 24 | 3.07 |
| Employee benefits expense | 25 | 0.87 |
| Finance costs | 26 | 0.29 |
| Depreciation and amortisation expense | 27 | 0.02 |
| Other expenses | 28 | 2.64 |
| **Total expenses** | | **8.99** |
| **Profit / (Loss) before exceptional items and tax** | | **1.32** |
| Prior Period Items | | - |
| Exceptional items | | - |
| **Profit / (Loss) before tax** | | **1.32** |
| **Tax expense** | 29 | - |
| **Profit / (Loss) for the year** | | **1.32** |
| **Other comprehensive income** | | |
| Items that will not be reclassified subsequently to profit or loss | | - |
| **Other comprehensive income/ (Loss) for the Year, net of tax** | | - |
| **Total comprehensive income/ (Loss) for the Year** | | **1.32** |
| **Earnings per equity share** | 30 | |
| [Nominal value of share Rs.10 each] | | |
| Basic (in Rs.) | | 116.77 |
| Diluted (in Rs.) | | 0.04 |

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.
This is the consolidated statement of profit and loss referred to in our report of even date

**For Pipara & Co LLP**
Chartered Accountants
FRN No: 107929W/W100219

Naman Pipara
*Partner*
M. No: 140234
**UDIN: 23140234BGQHNC2737**
**Place -** Ahmedabad
**Date -25-05-2023**

PIPARA & CO LLP × CHARTERED ACCOUNTANTS ×

**For and on behalf of the Board of Directors of**
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**CIN U25199GJ2007PLC051364**

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*Director*
DIN No. 00007179
**Place -** Mumbai
**Date -25-05-2023**

**Yashovardhan Agarwal**
*Director*
DIN No. 03201171
**Place -** Mumbai
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**Place -** Ahmedabad
**Date -25-05-2023**

**Chirag Goenka**
*Chief Financial Officer*
**Place -** Ahmedabad
**Date -25-05-2023**

# Sintex BAPL Ltd.

**Consolidated Statement of cash flows from September 27, 2022 to March 31, 2023**
(Currency: Indian Rupees in Crores)

| | Particulars | *From September 27, 2022 to March 31, 2023* |
|---|---|---|
| **A)** | **Cash flow from operating activities** | |
| | **Profit before tax** | **1.32** |
| | **Adjustments for :** | |
| | Depreciation | 0.02 |
| | Interest expense | 0.29 |
| | **Operating profit before changes in operating assets and liabilities** | **1.63** |
| | **Changes in operating assets and liabilities** | |
| | (Increase)/decrease in other current assets | 7.22 |
| | Increase/(decrease in financial liability | (10.15) |
| | Increase/(decrease in other current liabilities | 3.34 |
| | Movement in Other financial liabilities | 2.06 |
| | Movement in Other financial assets | 13.84 |
| | **Cash flow from operations** | **17.94** |
| | Income taxes paid | 0.01 |
| | **Net cash from/ (used in) operating activities (A)** | **17.93** |
| **B)** | **Cash flow from investing activities** | |
| | Purchase of Property, Plant & Equipment | (0.04) |
| | **Net cash from / (used) in investing activities** | **(0.04)** |
| **C)** | **Cash flow from financing activities** | |
| | Proceeds from issuance of equity share capital | 0.35 |
| | Proceeds from issuance of Optionally Convertible Debentures | 370.70 |
| | Proceeds from issuance of Non convertible debentures | (40.00) |
| | Proceeds from borrowings(net off payable for upfront fees on term loan 2.10) | 147.90 |
| | Proceeds from short Term Loan | 100.00 |
| | Repayment of short Term Loan | (100.00) |
| | Payments pursuant to resolution plan | (516.43) |
| | Finance charge paid | (0.29) |
| | **Net cash from/ (used in) financing activities (C)** | **(37.77)** |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

## Sintex BAPL Ltd.

**Consolidated Statement of cash flows from September 27, 2022 to March 31, 2023**
(Currency: Indian Rupees in Crores)

| | |
|---|---|
| **Net increase/(decrease) in cash and cash equivalents (A+B+C)** | (19.88) |
| Cash and cash equivalents at the beginning of the financial year | - |
| Cash and cash equivalent transfer pursuant to reverse merger | **97.94** |
| **Cash and cash equivalents at the end of the year** | **78.06** |

**Reconciliation of cash and cash equivalents as per the cash flow statement**
**Cash and cash equivalents as per above comprise of the following:**

| **Cash and Cash equivalents** | **Period ended March 31, 2023** |
|---|---|
| Balances with banks: | |
| - Current accounts | 78.06 |
| **Balances per statement of cash flows** | **78.06** |

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.
This is the consolidated statement of cash flow referred to in our report of even date

**For Pipara & Co LLP**
Chartered Accountants
FRN No: 107929W/W100219

**Naman Pipara**
Partner
M. No: 140234
**UDIN: 23140234BGQHNC2737**

**Place - Ahmedabad**
**Date -25-05-2023**

**For and on behalf of the Board of Directors of**
**Sintex-BAPL Limited**
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Director
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**Place -** Mumbai
**Date -25-05-2023**

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DIN No. 03201171I

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*Chief Executive Officer*

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Company Secretary
ICSI Membership no. A36328

**Place -** Ahmedabad
**Date -25-05-2023**

**Chirag Goenka**
Chief Financial Officer

**Place -** Ahmedabad
**Date -25-05-2023**

# Sintex-BAPL Limited

**Consolidated Statement of Change in Equity**

***for the period ended 31st March, 2023***

(Currency: Indian Rupees in crores)

**Consolidated Statement of Changes in Equity**

**A. Equity Share Capital (refer note 13)**

| Particulars | Amount |
|---|---|
| **Issued, subscribed and paid up capital** | |
| **As at September 27, 2022** | 0.00 |
| Add: Issue of shares during the period | 0.35 |
| Less: Cancellation of shares pursuant to reverse merger | (0.35) |
| Add: Allotment of Shares Pursuant to Resolution Plan | 1.00 |
| Less: Cross holding cancelled / extinguished | (1.00) |
| Add: Issue of shares pursuant to reverse merger (Refer Note 40 A) | 0.11 |
| **As at March 31, 2023** | **0.11** |

**B. Other Equity ( refer note 15)**

| | Reserves and Surplus | | Total |
|---|---|---|---|
| **Other Equity** | **Capital Reserve** | **Retained Earnings** | |
| **As at September 27, 2022** | - | - | - |
| Capital reserve pursuant to reverse merger (refer note 40 A) | 65.00 | - | 65.00 |
| Profit for the period from September 27, 2022 to March 31, 2023 | - | 1.32 | 1.32 |
| Other Comprehensive Income | - | - | - |
| **Total comprehensive income for the year** | **65.00** | **1.32** | **66.32** |
| Share capital prior to reverse merger | - | 0.35 | 0.35 |
| Shares issued pursuant reverse merger | - | (0.11) | (0.11) |
| **Balance at 31 March 2023** | **65.00** | **1.56** | **66.56** |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.
This is the consolidated statement of changes in equity referred to in our report of even date.

**For Pipara & Co LLP**
*Chartered Accountants*
Firm's Registration No: 107929W/W100219

**Naman Pipara**
*Partner*
M. No: 140234
**UDIN: 23140234BGQHNC2737**

**Place -** Ahmedabad
**Date -25-05-2023**

**For and on behalf of the Board of Directors of**
**Sintex-BAPL Limited**
CIN U25199GJ2007PLC051364

**Rajesh Mandawewala**
*Director*
DIN No. 00007179

**Place -** Mumbai
**Date -25-05-2023**

**Yashovardhan Agarwal**
*Director*
DIN No. 032011711

**Place -** Mumbai
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*President F&A*

**Samir Joshipura**
*Chief Executive Officer*

**Yash Sheth**
*Company Secretary*
ICSI M.No. A36328

**Place -** Ahmedabad
**Date -25-05-2023**

**Chirag Goenka**
*Chief Financial Officer*

**Place -** Ahmedabad
**Date -25-05-2023**

## Sintex–BAPL Limited
### Notes to the Consolidated financial statements
### For the year ended 31st March 2023

### 1. General Information

Sintex-BAPL Limited ("hereinafter referred to as Company") and its subsidiaries (hereinafter referred to as the group) incorporated in 2007 in India are engaged in the business of custom moulding products. The Company has manufacturing facilities in India. Its global operations are spread across Europe and the USA through subsidiaries which mainly includes Sintex Holding BV, and Sintex Logistic LLC., USA.

Also, refer to note no. 40 with respect to resolution plan and scheme of arrangement order passed by Hon'able National Company Law Tribunal ("NCLT") dated March 17, 2023. From effective date March 29, 2023, the Company became the wholly-owned subsidiary of Welspun Corp Limited.

The financial statement are authorised by the Board of Directors on May 25, 2023.

### 2. Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The Consolidated Financial Statements ("consolidated financial statements" of the "financial statements") relate to the Group.

### 2.1 Basis of Preparation of Consolidated Financial Statement

#### A. Compliance with Ind-AS

Accounting in the merged consolidated financial statements has been done in accordance with the accounting treatment prescribed in the Resolution plan approved by the NCLT which is in line with the accounting treatment prescribed by Ind AS 103 for reverse acquisition business combinations.

#### B. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group normal operating cycle (i.e. 12 months) and other criteria set out in Schedule III (Division II) to the Act.

### 2.2 Principles of Consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. In assessing control, potential voting rights that currently are exercisable are taken into account. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred

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asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of each of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on 31 March 2023.

| Name of the company | Country of incorporation | % of holding as on |
|---|---|---|
| | | 31 March 2023 |
| Sintex Holding BV (Including its following Subsidiaries): | Netherlands | 100 |
| Sintex Logistics LLC (USA) | USA | 100 |

**2.3 Foreign Currency Transactions**

**A. Functional and presentation currency**

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Company.

**B. Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other expenses or other income, as applicable.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of initial transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

**C. Group companies**

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at exchange rates prevailing at the dates of transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of transactions; and

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- all resulting exchange differences are recognised in other comprehensive income under head Foreign currency translation reserve (FCTR).

**2.4 Revenue Recognition**

Revenue from sale of goods and services is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The holding company operates on FOR model, where freight is born by the company, however the same is loaded in the sales price to the customer. The Group assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes discounts, incentives, volume rebates, goods & services tax and amounts collected on behalf of third parties.

In determining the transaction price, the Group considers below, if any:

**Variable consideration:**

This includes discounts, incentives, volume rebates, etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

**Significant financing component:**

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good to the customer and when the customer pays for that good or service will be one year or less.

**Consideration payable to a customer:**

Such amounts are accounted as reduction of transaction price and therefore, of revenue unless the payment to the customer is in exchange for a distinct good that the customer transfers to the Group. Further, in accordance with Ind AS 37, the Group recognises a provision for onerous contract when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

**Contract balances:**

**Trade receivables:** A receivable represents the Group right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

**Contract liabilities:** A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Group performs under the contract.

**Sale of services**

The Company provides installation services, ancillary to the sale to its customers. The income is recognized on accrual basis i.e., period in which the services are rendered, based on the terms of agreement.

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## 2.5 Segment Reporting

The board of directors of the Group assesses the financial performance and position of the Companies, and makes strategic decisions. The chief operating decision makers are board of directors of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker

## 2.6 Cash Flow Statement

Cash flows are reported using the indirect method set out in Ind AS 7 'Statement of Cash Flows', whereby net loss/profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals, or accruals of past or future operating cash receipts or payments and items of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

## 2.7 Income Tax, Deferred Tax and Dividend Distribution Tax

The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the profit and loss except to the extent it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

### a) Current income tax

Current tax charge is based on taxable profit for the year. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date where the Company operates and generates taxable income. Management in Group periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### b) Deferred tax

Deferred tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill.

Deferred tax is determined using tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax assets is realized or deferred tax liability is settled.
Deferred tax are recognised for all deductible temporary difference and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

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The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are off-set against each other and the resultant net amount is presented in the Balance Sheet, if and only when, (a) the Group has a legally enforceable right to set-off the current income tax assets and liabilities, and (b) the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

**c) Dividend distribution tax**

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is charged to statement of profit and loss if the dividend itself is charged to statement of profit and loss. If the dividend is recognised in equity, the presentation of dividend distribution tax is recognised in equity.

**2.8 Leases**

The Group leases various leasehold lands, buildings, vehicles, and office and other equipments. Rental contracts are typically made for fixed periods of one to ninety-nine years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Based on the notification released by MCA, Ind AS 116 has been made applicable w.e.f. April 01, 2019. From April 01, 2019, leases are recognized as a right-of-use assets and a corresponding lease liability at the date at which the leased assets is available for the use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments, as applicable:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Group under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payment, to be made under reasonably certain extension options, are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following, wherever applicable:

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- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term (including extension considering reasonable certainty), on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets and short term lease assets comprises of dumpsite land, laptops and other office equipements.

**As a lessor**

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct cost incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

**2.9 Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value**

Freehold land is not depreciated. Leasehold improvements and Lease hold land are amortised over the shorter of estimated useful life or the related lease term. Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

| Assets | Estimated Useful Lives (in years) | Useful Life as per Companies Act,2013 |
|---|---|---|
| Buildings | 15 to 60 Years | 30 to 60 Years |
| Plant and Machinery | 03 to 40 Years | 8 to 40 Years |
| Furniture and Fixtures | 03 to 10 Years | 8 to 10 Years |
| Vehicles | 05 to 10 Years | 6 to 10 Years |
| Office Equipment | 03 to 10 Years | 5 Years |

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These estimated useful lives are in accordance with those prescribed under Schedule II to the Companies Act, 2013.

Plant and machinery is depreciated on straight line method over the useful life ranging between 3 years to 40 years in order to reflect the actual usage of the assets. The estimated useful lives of plant and machinery has been determined based on internal technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, etc.

The residual values are not more than 5% of the original cost of the asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Estimated useful lives, residual values and depreciation methods are reviewed annually, taking into account commercial and technological obsolescence as well as normal wear and tear and adjusted prospectively, if appropriate.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other expenses or other income or other expenses, as applicable.

**2.10 Intangible Assets**

Intangible assets with finite useful lives acquired by the Group are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a straight-line basis over the estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in the estimate being accounted for on a prospective basis.

**Amortization methods and periods**

Intangible assets comprise of computer software which is amortized on a straight-line basis over its expected useful life over a period of five years which is based on a technical evaluation done by the Management.

**2.11 Inventories**

**Raw materials, stores and spares, work in progress, traded goods and finished goods**

Raw materials, stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials, stores and traded goods comprises cost of purchases on moving weighted average basis. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on moving weighted average basis. Cost of purchased inventory are determined after deducting the rebates and discount.Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**2.12 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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A) **Financial assets**

(I) **Classification**

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held.

For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(II) **Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. After initial recognition, financial assets not measured at fair value through profit & Loss are measured using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flow through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(i) **Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from

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equity to profit or loss and recognised in other income or other expenses (as applicable). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income or other expenses (as applicable) in the period in which it arises. Interest income from these financial assets is included in other income or other expenses, as applicable.

**(ii) Equity instruments**

The Group subsequently measures all equity investments at fair value. Where the management across Group has elected to present fair value gains and losses on equity investments in other comprehensive income and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments and gain/loss on restatement of equity shares held in foreign currency are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income or other expenses, as applicable in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

**(iii) Instruments Entirely Equity in Nature**

Instruments entirely equity in nature issued by the Group comprises of convertible debentures. These instruments have such terms and conditions that qualify them for being entirely equity in nature based on the criteria given in Para 16 of Ind AS 32 "Financial Instruments Presentation". Group assesses the terms and conditions specific to each instrument for deciding whether they are entirely equity in nature. This is recognized and included in shareholder's equity, net of income tax effects, and not subsequently re-measured.

Accounting for the optionally convertible Debenture as an equity instrument without separating the redemption option is not accounted for as an embedded derivative but is considered part of the equity instrument. This is because the redemption option is already considered in determining that the entire instrument is a non-derivative equity instrument.

**(iv) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables and contract assets, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(v) Derecognition of financial assets**

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or

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- Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**(III) Income recognition**

**(i) Interest income**

Interest income from financial assets is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on time basis by reference to principal outstanding and the effective interest rate applicable which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest on income tax and indirect tax are recognised in the year in which it is received.

**(ii) Dividend income**

Dividend income are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

**(iii) Export Benefits**

In case of sale made by the Group as Support Manufacturer, export benefits arising from Duty Entitlement Pass Book (DEPB), Duty Drawback scheme and Merchandise Export Incentive Scheme (MEIS) and Remission of Duties or Taxes on Export Products (RoDTEP) are recognized on export of such goods in accordance with the agreed terms and conditions with customers. In case of direct exports made by the group, export benefits arising from DEPB, Duty Drawback scheme and MEIS and RoDTEP are recognized on shipment of direct exports.

**(iv) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits with an original maturity of three months or less and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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For the purposes of the statement of cash flow, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

**(v) Trade receivable**

Trade Receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost less loss allowance.

**(III) Financial liabilities**

**(I) Measurement**

Financial liabilities are initially recognised at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortised cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

**(II) De-recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**(III) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit and loss as other income or other expenses, as applicable.

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Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the consolidated financial statements for issue, not to demand payment as a consequence of the breach.

**(IV) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised, initially at fair value, and subsequently measured at amortised cost using effective interest rate method.

Trade payables include acceptances arrangements where operational suppliers of goods are paid by banks while Group continues to recognise the liability till settlement with the banks

**2.13 Borrowing costs**

Borrowing costs directly attributable to acquisition or construction of qualifying assets (i.e. those fixed which necessarily take a substantial period of time get ready for their intended use) are capitalized.

Borrowing cost include interest expense calculated using EIR method. EIR includes interest, amortization of ancillary cost, incurred in connection with borrowing of funds. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**2.14 Employee Benefits**

**Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating

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to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**Post-employment obligations**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity; and
- Defined contribution plans such as provident fund and superannuation fund.

**(I) Defined Benefit Plans**

**(i) Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Re-measurements are not reclassified to profit and loss in the subsequent periods.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**(ii) Defined contribution plans**

(i) Provident Fund, Employee State Insurance Corporation (ESIC) and Pension Fund

The Contribution towards provident fund, ESIC and pension fund for certain employees is made to the regulatory authorities where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations apart from the contributions made on a monthly basis.

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### 2.15 Provisions, Contingent Liabilities and Contingent Assets

a) **Provisions**

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the on-going activities of the Group.

b) **Contingent liabilities**

Contingent liabilities are disclosed when there is a possible obligation arising from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

c) **Contingent Assets**

Contingent Assets are disclosed, where an inflow of economic benefits is probable.

### 2.16 Contributed equity

Equity shares are classified as equity incremental cost directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax , from the proceeds.

### 2.17 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 2.18 Earnings per Share

**Basic earnings per share**
Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company; and
- by the weighted average number of equity shares outstanding during the financial year.

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**Diluted earnings per share**

Diluted earnings per share adjust the figures used in determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares; and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**2.19 Rounding of amounts**

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest Rupees Crores (upto two decimals), unless otherwise stated as per the requirement of Schedule III (Division II).

**2.20 Business Combinations**

The acquisition method of accounting is used to account for all business combination except under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

-fair value of the assets transferred
-liabilities incurred to former owners of the acquired business:
-equity interests issued by the company; and
-fair value of any asset or liability from a contingent consideration arrangement

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are , with limited exception, measured initially at their fair values at the acquisition date. The company recognises any non-controlling interest in the acquisition-by-acquisition basis at the non-controlling interest's proportionate share of acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred
The excess of the

- Consideration transferred;
- Amount of non-controlling interest in the acquired entity &
- Acquisition-date fair value of any previous equity interest in the acquired entity's

Over the fair value of the net identifiable assets acquired is recorded as goodwill, after initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss for goodwill is recognized in the statement of profit and loss. Impairment loss recognized goodwill is not reversed in subsequent periods.

If those amount are less than the fair value of net identified assets of the business acquired, the difference is recognized as capital reserve in other equity

Where settlement of any part of cash consideration is deferred, the amount payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amount classified as financial liability are subsequent premeasured to fair value with changes in fair value recognized in profit and loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is re-measured to fair value at the acquisition date. Any gain or losses arising from such re-measured are recognised in profit or loss of other comprehensive income, as appropriate.

**2.21 New amendments issued but not effective**

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective April 01, 2023. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

| Title | Key requirements |
|---|---|
| Disclosure of Accounting Policies Amendments to Ind AS 1, Presentation of financial statements | The amendment requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. |
| Definition of Accounting Estimates Amendments to Ind AS 8, Accounting policies, changes in accounting estimates and errors | The amendment clarifies how entities should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. |
| Deferred tax related to assets and liabilities arising from a single transaction Amendments to Ind AS 12, Income taxes | The amendment requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:<br><br>• right-of-use assets and lease liabilities, and<br>• decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.<br><br>The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. |

| | |
|---|---|
| | Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments. |

**3. Critical Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

**Critical estimates and judgments**

(i) Estimation of Provisions and Contingent Liabilities

The Company exercises judgment in measuring and recognising provisions and the exposures to contingent liabilities which is related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual liability may be different from the originally estimated as provision.

(ii) Estimation of useful life of Property, Plant and Equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

(iii) Estimation of Provision for Inventory

The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not realised. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

(iv) Estimation of Defined Benefit Obligation

The present value of the defined benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post employments plans include the discount rate. Any changes in these assumptions will impact the carrying amount of such obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds of maturity approximating the terms of the related plan liability.

(v) Estimated fair value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Management uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(vi) Impairment of carrying value of investments in a subsidiary:

Determining whether the impairment of carrying value of investments in a subsidiary requires an estimate of the value in use of investments.

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# Sintex-BAPL Limited
## Notes to the consolidated financial statements *(continued)*
*as at 31 March 2023*
(Currency: Indian Rupees in crores)

4 a) **Property, plant and equipment**

| **Particulars** | **Gross Carrying Amount** | | | | | **Accumulated Depreciation** | | | | **Net Carrying Amount** |
|---|---|---|---|---|---|---|---|---|---|---|
| | Cost as at 27 September 2022 | Additions during the year | Additions Pursuant to Acquition By NCLT | Deduction during the year | Cost as at 31 Mar 2023 | Cost as at 27 September 2022 | Depreciation for the year | Disposals | Balance as at 31 Mar 2023 | as at 31 Mar 2023 |
| Freehold Land | - | - | 167.60 | - | 167.60 | - | - | - | - | 167.60 |
| Building | - | - | 78.91 | - | 78.91 | - | 0.01 | - | 0.01 | 78.90 |
| Plant and machinery | - | 0.04 | 118.40 | - | 118.44 | - | 0.01 | - | 0.01 | 118.43 |
| Furniture, fixture and office equipment | - | - | 0.11 | - | 0.11 | - | 0.00 | - | 0.00 | 0.11 |
| Vehicles | - | - | 0.20 | - | 0.20 | - | 0.00 | - | 0.00 | 0.20 |
| **Total Property, Plant and Equipment** | - | **0.04** | **365.22** | - | **365.26** | - | **0.02** | - | **0.02** | **365.24** |

b) **ROU Assets**

| **Particulars** | **Gross Carrying Amount** | | | | | **Accumulated Depreciation** | | | | **Net Carrying Amount** |
|---|---|---|---|---|---|---|---|---|---|---|
| | Cost as at 27 September 2022 | Additions during the year | Additions Pursuant to Acquition By NCLT | Deduction during the year | Cost as at 31 Mar 2023 | Cost as at 27 September 2022 | Depreciation for the year | Disposals | Balance as at 31 Mar 2023 | as at 31 Mar 2023 |
| Leasehold Land * | - | - | 0.20 | - | 0.20 | - | 0.00 | - | 0.00 | 0.20 |
| Total ROU Assets | - | - | 0.20 | - | 0.20 | - | 0.00 | - | 0.00 | 0.20 |

* The Company has obtained leasehold land for lease term of 95/99 Years.

All tangible and intangible movable assets of the Company have been hypothecated to secure term loans from Banks.

Contractual obligations
Refer Note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

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## Sintex-BAPL Limited

**Notes to the consolidated financial statements (continued)**

*as at 31 March 2023*

(Currency: Indian Rupees in crores)

**5 Other intangible assets**

| Particulars | Gross Carrying Amount | | | | | Accumulated Depreciation | | | | Net Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|
| | Cost as at 27 September 2022 | Additions during the year | Additions Pursuant to Acquition By NCLT Resolution Plan | Deduction during the year | Cost as at 31 Mar 2023 | Cost as at 27 September 2022 | Depreciation for the year | Disposals | Balance as at 31 Mar 2023 | as at 31 Mar 2023 |
| Software | - | - | 0.16 | - | 0.16 | - | 0.00 | - | 0.00 | 0.16 |
| **Total Intangible Assets** | - | - | 0.16 | - | 0.16 | - | 0.00 | - | 0.00 | 0.16 |

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# Sintex-BAPL Limited

**Notes to the consolidated financial statements *(continued)***

*as at 31 March 2023*

(Currency: Indian Rupees in crores)

**6 Other financial assets**

| Particulars | 31-Mar-23 |
|---|---|
| **Non-current** | |
| **Unsecured, Considered Good** | |
| Security and Earnest Money Deposits | 2.46 |
| | **2.46** |
| **Current** | |
| **Unsecured, Considered Good** | |
| Receivable from Related Party | 50.00 |
| Receivable from Escrow account | 10.73 |
| Rebate receivable | 1.34 |
| | **62.07** |
| Total | **64.53** |

**7 Other assets**

| Particulars | 31-Mar-23 |
|---|---|
| **Non-current** | |
| **Unsecured, Considered Good** | |
| Capital Advances | 0.04 |
| | **0.04** |
| **Current** | |
| **Unsecured, Considered Good** | |
| Advance to suppliers | |
| Considered good | 12.29 |
| Balances with government authorities | 4.29 |
| Prepaid expenses | 3.00 |
| Export incentives receivables | 0.39 |
| Staff Travel Advance and Imprest | 0.87 |
| | **20.84** |
| Total | **20.88** |

**8 Inventories**

| Particulars | 31-Mar-23 |
|---|---|
| (a) Raw materials | 27.22 |
| (b) Work in progress | 10.53 |
| (c) Finished goods | 27.92 |
| (d) Stores and spares | 2.67 |
| Total | **68.34** |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex-BAPL Limited

**Notes to the consolidated financial statements *(continued)***

*as at 31 March 2023*

(Currency: Indian Rupees in crores)

**9 Trade receivables**

(Unsecured, unless otherwise stated)

| Particulars | 31-Mar-23 |
|---|---|
| **Current** | |
| Unsecured, considered good (other than related party) | 9.00 |
| Total | **9.00** |

*** Ageing for Trade Receviable outstanding as at March 31 2023 is as follows:**

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 Months | 6 Months – 1 Year | 1 – 2 Years | 2 – 3 Years | More than 3 Years | |
| Undisputed Trade Receivables – Considered Good | 8.57 | 0.42 | 0.00 | 0.00 | 0.01 | **9.00** |
| Undisputed Trade Receivables – Which have significant increase in Credit Risk | | | | | | - |
| Undisputed Trade Receivables – Credit Impaired | | | | | | - |
| Disputed Trade Receivables – Considered Good | | | | | | - |
| Disputed Trade Receivables – Which have significant increase in Credit Risk | | | | | | - |
| Disputed Trade Receivables – Credit Impaired | | | | | | - |
| **TOTAL** | **8.57** | **0.42** | **0.00** | **0.00** | **0.01** | **9.00** |

* For the purpose of ageing original date of acquired trade receivables has been considered.

**Note:**

(i) The Company's trade receivable do not carry a significant financing element. Accordingly the Company has adopted a simplified approach for measurement of expected credit loss.

(ii) There are no disputed trade receivables as at March 31, 2023

PIPARA & CO LLP CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in crores)

### 10 Cash and Cash Equivalents

| Particulars | 31-Mar-23 |
|---|---|
| **Balance with banks** | |
| In current account | 78.03 |
| Cash on hand | 0.03 |
| **Total Cash and Cash Equivalents** | **78.06** |

### 11 Bank balances other than Cash and Cash Equivalents

| Particulars | 31-Mar-23 |
|---|---|
| **Other Bank Balances** | |
| Earmarked Balances with Bank for Unpaid CIRP Dues | 97.82 |
| **Margin money deposits** | |
| With original maturity of more than 3 months but less than 12 months | 5.14 |
| **Total Bank Balance other than Cash and Cash Equivalents** | **102.96** |

### 12 Current tax assets (net)

| Particulars | 31-Mar-23 |
|---|---|
| **Current** | |
| Advance tax | 8.22 |
| TDS Receivable | 2.94 |
| | **11.16** |
| Total | **11.16** |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex-BAPL Limited

**Notes to the consolidated financial statements *(continued)***

*as at 31 March 2023*

(Currency: Indian Rupees in crores)

## 13 Share capital

| Particulars | 31-Mar-23 | |
|---|---|---|
| | Numbers | Amount |
| **Authorised share capital** | | |
| Equity shares of Rs. 10 each | 17,450,000 | 17.45 |
| Reedemable Cumulative Preference shares of Rs 100/- each | 5,000,000 | 50.00 |
| | 22,450,000 | 67.45 |
| **Issued, subscribed and paid up capital** | 113,308 | 0.11 |
| Equity shares of Rs. 10/- each fully paid up | | |
| | **113,308** | **0.11** |

| Equity and Preference Share Capital | Equity Share Capital | | Preference Share Capital | |
|---|---|---|---|---|
| | Number of Shares | Amount | Number of Shares | Amount |
| **Authorised share capital** | | | | |
| **As at September 27, 2022** | 10,000 | 0.01 | - | - |
| Increase during the period | 340,000 | 0.34 | - | - |
| Increase during the period pursuant to reverse merger | 17,100,000 | 17.10 | 5,000,000 | 50.00 |
| **As at March 31 2023** | **17,450,000** | **17.45** | **5,000,000** | **50.00** |

| i) Movement in equity shares capital | Number of shares | Amount |
|---|---|---|
| **Issued, subscribed and paid up capital** | | |
| **As at September 27, 2022** | 1,000 | 0.00 |
| Add: Issue of shares during the period | 349,000 | 0.35 |
| Less: Cancellation of shares pursuant to reverse merger | (350,000) | (0.35) |
| Add: Allotment of Shares Pursuant to Resolution Plan | 1,000,000 | 1.00 |
| Less: Cross holding cancelled/extinguished | (1,000,000) | (1.00) |
| Add: Issue of shares pursuant to reverse merger (refer note 40A) | 113,308 | 0.11 |
| **As at March 31 2023** | **113,308** | **0.11** |

**Reconciliation of share outstanding at the beginning and at the end of the period**

| Particulars | As at March 31, 2023 | |
|---|---|---|
| | Numbers | Amount |
| As at September 27, 2022 | 1,000 | 0.00 |
| Changes in equity share capital during the current period | | |
| Add: Issue of fresh equity shares | 349,000 | 0.35 |
| Less: Cancellation of shares pursuant to reverse merger | (350,000) | (0.35) |
| Add: Allotment of Shares Pursuant to Resolution Plan | 1,000,000 | 1.00 |
| Less: Cross holding cancelled/extinguished | (1,000,000) | (1.00) |
| Add: Issue of shares pursuant to reverse merger (refer note 40A) | 113,308 | 0.11 |
| As at March 31 2023 | 113,308 | 0.11 |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in crores)

ii) Terms and rights attached to shares Equity shares

**Equity Shares**

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend.

In the event of liquidation of the company the holders of the equity shares will be entitled to receive remaining assets of the Company after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Preference shares**

Preference shares does not carry any voting rights in the Company, except as provided in the Companies Act, 2013. Preference share will have priority over equity shares in the payment of dividend and repayment of capital.

**iii) Details of shareholders holding more than 5% shares in the Company**

| **As at March 31, 2023** | **No. of shares** | **% holding** |
|---|---|---|
| **Equity shares held by** | | |
| Welspun Corp Limited and its nominees | 113,308 | 100.00% |

**(iv) Details of shareholding of promoters for the period ended March 31, 2023**

| **Name of the promoter** | **Number of shares** | **% of total number of shares** | **% of change during the year** |
|---|---|---|---|
| Welspun Corp Limited and its nominees | 113,308 | 100.00% | 100.00% |
| Total | 113,308 | 100.00% | |

**14 Instrument in the nature of equity**

**Optionally Convertible Debentures**

**i) Movement in Optionally Convertible Debentures**

| | | |
|---|---|---|
| Issued, subscribed and paid up capital | | |
| **As at September 27, 2022** | - | - |
| Increase during the period | 37,070,100 | 370.70 |
| (Equity Debenture of Rs. 100/- each) | | |
| **As at March 29, 2023** | 37,070,100 | 370.70 |
| Decrease during the year | 4,000,000 | 40.00 |
| **As at March 31, 2023** | **33,070,100** | **330.70** |

**(ii) Terms and rights attached to Convertible Debentures**

Each OCD having face value of Rs. 100 each shall be convertible at the option of the holder thereof at any time during the tenure of the OCDs into 10 equity shares of Rs. 10 each.

If the OCDs are not redeemed within 5 years from the date of the issue, the OCDs shall be mandatorily converted into equity shares.

The OCDs shall be redeemable at the option of the issuer, any-time from the date of the issue but not later than 5 years.

Before redeeming the OCDs, the issuer shall give option to holder to convert the OCDs in to equity by issuing 15 days' notice hereto.

If the holder does not opt for converting, the issuer shall redeem within 7 days of the expiry of the notice period.

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex-BAPL Limited
**Notes to the consolidated financial statements *(continued)***
*as at 31 March 2023*
(Currency: Indian Rupees in crores)

The OCDs shall carry coupon of 0.01% p.a., discretionary.

**(iii) OCD's of the Company held by holding company**

| | No. of OCD's | % holding |
|---|---|---|
| Welspun Corp Limited | 33,070,100 | 100% |

**(iv) Details of holders holding more than 5% OCD's in the Company**

| | No. of OCD's | % holding |
|---|---|---|
| Welspun Corp Limited (the 'holding company') | 33,070,100 | 100% |

**(v) Details of Promoter holding**

| Name of the promoter | Number of OCDs | % of total number of OCDs | Percentage of change during the year |
|---|---|---|---|
| Welspun Corp Limited | 33,070,100 | 100% | 100% |

# Sintex-BAPL Limited

**Notes to the consolidated financial statements** ***(continued)***

*as at 31 March 2023*

(Currency: Indian Rupees in crores)

## 15 Other equity

| Particulars | 31-Mar-23 |
|---|---|
| Capital Reserve pursuant to reverse merger (refer note 40) | 65.00 |
| Retained earnings | 1.56 |
| Total | **66.56** |

| | |
|---|---|
| **Retained earnings** | |
| At the commencement of the year | - |
| Add: | |
| Share capital prior to reverse merger | 0.35 |
| Profit for the year | 1.32 |
| Share issued pursuant reverse merger | (0.11) |
| **At the end of the year** | **1.56** |

**Nature and purpose of resereve**

**Capital Reserve**

The excess of fair value of net assets acquired over consideration paid in business combination is recognised as capital reserve. The reserve is not available for distribution.

**Retained Earnings**

Retained earnings are the profits that the company has earned till date. The amount that can be distributed by the company as dividends to its equity shareholders is determind based on the Companies Act, 2013.

# Sintex-BAPL Limited

**Notes to the consolidated financial statements *(continued)***

*as at 31 March 2023*

(Currency: Indian Rupees in crores)

**16 Borrowings**

| Particulars | 31 March 2023 | |
|---|---|---|
| | Non-current | Current |
| **Non-current** | | |
| **Secured** | | |
| Term loan from banks (refer note (i), (ii) ) | 148.63 | - |
| **Total non-current borrowings** | **148.63** | **-** |
| **Current** | | |
| **Secured** | | |
| Term loan from banks (refer note (i), (ii) ) | - | 0.13 |
| **Total current borrowings** | **-** | **0.13** |
| Total | **148.63** | **0.13** |

**Notes:**

(i) **Nature of security for borrowings**

It includes 147.90 cr. pertaining to Sintex BAPL Ltd. which is secured by first ranking exclusive charge by way of hypothecation over all tangible and intangible movable assets, all bank accounts of the Company both present and future.

It includes Equipment Loan of Rs. 0.86 Crores (0.13 is current borrowing) pertaining to Sintex Logistic LLC and is secured against equipment.

(ii) **Terms of repayment and interest**

The Term loan of Rs. 147.90 crs is repayable in 8 years, quarterly repayment starting after a moratorium of 12 months starting from June 30, 2024. The applicable rate of interest is linked to 8.90% p.a.

Equipment Loan of Rs. 0.86 Crores pertaining to Sintex Logistic LLC is repayable in 60 equal monthly installments starting from the month of July,2023. It carries a rate of interest of 4.7% per annum (approx).

(iii) **Net Debt Reconciliation**

| **Particulars** | **31 March 2023** |
|---|---|
| Net debt reconciliation | |
| Cash and cash equivalents | 78.06 |
| Non-current borrowings | (148.63) |
| Other Financial liabilities | (2.10) |
| Current Borrowings | (0.13) |
| | **(72.80)** |

| **Net debt reconciliation** | Net debt as on 27-09-2022 | Addition pursuant to business combination | Interest Expense | Interest Paid | Net debt as on 31-03-2023 |
|---|---|---|---|---|---|
| Cash and cash equivalents | - | 78.06 | | | 78.06 |
| Current Investments | | | | | - |
| Non-current borrowings | | (148.63) | (0.11) | 0.11 | (148.63) |
| Other financial liabilities | | (2.10) | | | (2.10) |
| Current Borrowings | | (0.13) | | | (0.13) |
| **Total** | - | (72.80) | (0.11) | 0.11 | **(72.80)** |
| **Interest Accrued as at 31-03-2023** | | | | | - |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex-BAPL Limited

**Notes to the consolidated financial statements *(continued)***
*as at 31 March 2023*
(Currency: Indian Rupees in crores)

## 17 Other financial liabilities

| Particulars | 31-Mar-23 |
|---|---|
| **Current** | |
| Interest accrued and due on borrowings | 0.16 |
| Capital Creditors | 0.02 |
| Payable for upfront fees on term loan | 2.10 |
| Guarantee Fees payable | 0.01 |
| Security deposits taken | 10.77 |
| Total | **13.06** |

## 18 Provisions

| Particulars | 31-Mar-23 |
|---|---|
| **Non-current** | |
| **Provision for employee benefits** | |
| Provision for gratuity | 12.61 |
| Provision for compensated absences | 6.70 |
| | **19.31** |
| **Current** | |
| **Provision for employee benefits** | |
| Provision for gratuity | 1.24 |
| Provision for compensated absences | 1.01 |
| | **2.25** |
| Total | **21.56** |

For movements in provisions for employee benefits, refer note 35

PIPARA & CO LLP CHARTERED ACCOUNTANTS

## Sintex-BAPL Limited
**Notes to the consolidated financial statements *(continued)***
*as at 31 March 2023*
(Currency: Indian Rupees in crores)

**19 Other current liabilities**

| Particulars | 31-Mar-23 |
|---|---|
| **Current** | |
| Customer advances | 18.17 |
| Other liabilities | 3.97 |
| Statutory Dues | 5.23 |
| Total | **27.37** |

**20 Trade payables**

| Particulars | 31-Mar-23 |
|---|---|
| Payables to micro and small enterprises | 3.16 |
| Other trade payables | 109.25 |
| Total | **112.41** |

*** Ageing for trade payables outstanding as at March 31, 2023 is as follows:**

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not Due | Less than 1 year | 1 – 2 Years | 2 – 3 Years | More than 3 years | |
| MSME | - | - | 3.16 | - | - | - | **3.16** |
| Others | 58.40 | - | 46.72 | 1.01 | 1.18 | 1.94 | **109.25** |
| Disputed dues - MSME | - | - | - | - | - | - | - |
| Disputed dues - Others | - | - | - | - | - | - | - |
| TOTAL | **58.40** | - | **49.88** | **1.01** | **1.18** | **1.94** | 112.41 |

* For the purpose of ageing original date of acquired trade payables has been considered.

**Micro, Small and Medium Enterprises Development Act, 2016**
Disclosure of amount due to suppliers under "The Micro, Small and Medium Enterprises Development Act, 2006

| Particulars | 31-Mar-23 |
|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | **3.16** |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - |
| | **3.16** |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act | |
| Interest accrued and remaining unpaid at the end of each accounting year | |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act | |

Refer note 40C

**Note :**

**Payment to auditors***

| Particulars | 31 March 2023 |
|---|---|
| As Auditor: | |
| For statutory audit fees (Standalone Financial Statement & Consolidated Financial Statement) | 0.39 |
| For other services ( Tax Audit Fees ) | 0.05 |
| Total | 0.44 |

* excluding taxes. The above trade payable include payable to audtiors.

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex-BAPL Limited

**Notes to the consolidated financial statements** ***(continued)***

*as at 31 March 2023*

(Currency: Indian Rupees in crores)

**21 Revenue from operations**

| **Particulars** | **From September 27, 2022 to March 31, 2023** |
|---|---|
| **Sale of products** | |
| Finished goods | 10.13 |
| **Sale of services** | 0.03 |
| **Total** | **10.16** |

The Company is primarily engaged in the business of manufacture and distribution of plastic products and revenue from such products is derived from transfer at a point in time which is shown under sale of products as above.

**22 Other income**

| **Particulars** | **From September 27, 2022 to March 31, 2023** |
|---|---|
| Interest income | |
| - on deposits with banks | 0.07 |
| Other non-operating income | 0.08 |
| Total | **0.15** |

**23 Cost of material consumed**

| **Particulars** | **From September 27, 2022 to March 31, 2023** |
|---|---|
| Inventory of materials at the beginning of the period | - |
| Add: Addition pursuant to reverse merger | 27.42 |
| Add: Purchases during the period | 1.90 |
| Less: Inventory of materials at the end of the period | 27.22 |
| Total | **2.10** |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in crores)

## 24 Changes in inventories of finished goods and trading goods

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| **Inventories at the end of the year:** | |
| Finished goods | 27.92 |
| Work in progress | 10.53 |
| | **38.45** |
| **Inventories at the beginning of the period** | |
| Finished goods | - |
| Work in progress | - |
| | - |
| **Inventories (Transferred pursuant to reverse merger)** | |
| Finished goods | **31.09** |
| Work in progress | **11.00** |
| | **42.09** |
| Less : exchange differences (net) | 0.57 |
| Total | **3.07** |

## 25 Employee benefits expense

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| Salaries, wages and bonus | 0.75 |
| Contribution to gratuity, provident fund and other funds | 0.08 |
| Staff welfare expenses | 0.04 |
| Total | **0.87** |

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| During the year, the company has recognised the following amounts in the satement of profit and loss: | |
| Employer's Contribution to Provident Fund | 0.03 |
| Employer's Contribution to Employees State Insurance | 0.02 |
| Employer's Contribution to Supperannuation Fund / Gratuity | 0.03 |
| **Total expenses recognised in the statement of profit and loss** | **0.08** |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in crores)

## 26 Finance costs

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| Interest on borrowings | |
| - on bank loan | 0.11 |
| - on Loan (Related Party) | 0.00 |
| - on OCD (Related party) | 0.17 |
| Other borrowing costs | 0.01 |
| Total | **0.29** |

## 27 Depreciation and amortisation expense

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| Depreciation of property, plant and equipments | 0.02 |
| Depreciation of right of use assets | 0.00 |
| Amortisation of other intangible assets | 0.00 |
| Total | **0.02** |

## 28 Other expenses

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| Consumption of stores and spare parts | 0.41 |
| Power and fuel | 0.36 |
| Repairs and maintenance | 0.02 |
| Insurance | 0.02 |
| Travelling and conveyance Expenses | 0.27 |
| Payments to auditors | 0.02 |
| Communication expenses | 0.09 |
| Advertisement and sales promotion expenses | 0.35 |
| Job work and subcontracting charges | 0.29 |
| Legal and professional expenses | 0.18 |
| Transportation and freight charges | 0.55 |
| Security Charges | 0.01 |
| Miscellaneous expenses | 0.07 |
| Total | **2.64** |

PIPARA & CO LLP
CHARTERED ACCOUNTANTS

## Sintex-BAPL Limited

**Notes to the consolidated financial statements *(continued)***

*as at 31 March 2023*

(Currency: Indian Rupees in crores)

**29 Income tax expenses**

**A. Income tax (income) / expense recognised in the Statement of Profit and Loss**

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| **Current tax expenses** | |
| Current tax on profits for the year | - |
| Short/(excess) provision of tax for earlier year | - |
| **Total current tax (A)** | - |
| **Deferred tax expenses** | |
| Attributable to– | |
| (Decrease)/Increase in deferred tax liabilities | - |
| MAT Credit entitlement | - |
| | - |
| **Income tax expenses** | - |

**B. Income tax expense / (income) recognised in other comprehensive income**

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| **Current tax** | |
| Current tax on realized gain during the year | - |
| Short/(excess) provision of tax for earlier year | - |
| **Deferred tax :** | |
| Attributable to :- | |
| Decrease/(Increase) in deferred Tax Asset | - |
| MAT Credit Entitlement | - |
| | - |

**C. Income Tax expense in the statement of profit and loss**

Reconciliation of the tax expense and the accounting profit for the year is as under:

| Particulars | From September 27, 2022 to March 31, 2023 |
|---|---|
| **Profit before tax** | 1.32 |
| Enacted tax rate in India | 25.17% |
| Expected income tax expense at statutory tax rate | 0.33 |
| Less : Unabsorbed Depreciation | (0.33) |
| **Computed / Expected Tax expense** | - |

PIPARA & CO LLP
CHARTERED ACCOUNTANTS

# Sintex-BAPL Limited

**Notes to the consolidated financial statements *(continued)***

*as at 31 March 2023*

(Currency: Indian Rupees in crores)

The Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 dated September 20, 2019. Accordingly, during the year ended March 31, 2023, the Company has recognised provision for income tax and remeasured its deferred tax assets basis the rate prescribed thereby (lower tax rate of 22%, effective rate of 25.168%) and the related impact (if any) is recognised in the statement of profit and loss. The lower rate is applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable for the Company, since opting to apply the lower tax rate.

**D. Components of deferred tax asset and liability**

| Particulars | 31 March 2023 |
|---|---|
| **(a) Deferred tax assets** | |
| Property, plant and equipment | 70.31 |
| Provision for Gratuity Liability | 3.49 |
| Provision for Leave Encashment Liability | 1.94 |
| Provision Bonus Payable | 0.41 |
| **Total** | **76.15** |
| **(b) Deferred tax liabilities** | - |
| **Net Deferred tax assets*** | - |

* The company had an available deferred tax asset of Rs. 76.15 crores on account of the reverse merger, however, the management has not recognised deferred tax assets since there is an uncertainty of near future sufficient taxable profit against which deferred tax assets can be recovered, hence the deferred tax assets is are restricted to Nil.

**Tax losses carried forward**

| Particulars | Amount | Expiry Date (Assessment Year) |
|---|---|---|
| Unabsorbed Depreciation | 450.15 | Unlimited |
| Unabsorbed Business Loss ( A.Y. 2020-21 ) | 290.74 | A.Y. 2028-29 |
| Unabsorbed Capital Loss ( A.Y. 2016-17 ) | 474.46 | A.Y. 2024-25 |
| Unabsorbed Capital Loss ( A.Y. 2017-18 ) | 0.76 | A.Y. 2025-26 |
| TOTAL | **1,216.10** | |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in Crores)

## 30 Earnings per share

| Particulars | | From September 27, 2022 to March 31, 2023 |
|---|---|---|
| Face value per equity share (in Rs.) | | 10 |
| (a) | Profit/(Loss) for the year attributable to equity shareholders from: | 1.32 |
| (b) | Number of equity shares at the beginning of the year | - |
| (c) | Equity shares issued during the year | 1,13,308 |
| (d) | Number of equity shares at the end of the year | 1,13,308 |
| (e) | Weighted average number of equity shares for calculating basic earnings per share | 1,13,308 |
| (f) | Shares deemed to be issued on conversion of OCD | 37,07,01,000 |
| (g) | Weighted average number of equity shares for calculating diluted earnings per share | 37,08,14,308 |
| (h) | Profit/(Loss) for the year(adjusted for diluted EPS calculation) | 1.32 |
| Earnings per equity share (in Rs) | | |
| | - Basic earnings per share | 116.77 |
| | - Diluted earnings per share | 0.04 |

Notes:

Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex-BAPL Limited

**Notes to the consolidated financial statements *(continued)***

*as at 31 March 2023*

(Currency: Indian Rupees in Crores)

**31 Contingent liabilities and contingent assets**

*(to the extent not provided for)*

| Particulars | 31 March 2023 |
|---|---|
| **Contingent liabilities and commitments** | |
| a. **Claims against the Group not acknowledged as debts** | |
| (i) Direct tax matters | 8.27 |
| In respect of matters decided against the Company, for which the Company is in appeal with higher authorities, wherein the company believe there would be no future cash outflows. | |
| | 8.27 |

The Company does not expect any re-imbursements in respect of the above contingent liabilities.

**32 Commitments**

**A Capital Commitments**

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for -

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex-BAPL Limited

**Notes to the consolidated financial statements (continued)**

*as at 31 March 2023*

(Currency: Indian Rupees in Crores)

**33 Segment reporting**

**Basis of Segmentation:**

a) (i) Description of segments and principle activities

The Group's chief operating decision maker consists of the board of directors of the Company who examines the Group's performance only from the product perspective and has accordingly, identified only one reportable segment which is business of manufacturing and distribution of plastic products.

(ii) The chief operating decision maker primarily uses a measure of profit before tax as included in the internal management report to assess the performance of the operating segment which is measured consistently with profit or loss in the financial statements.

(iii) Revenue from top External Customers

| Particulars | Number of Customer | Amount | % to revenue from operations |
|---|---|---|---|
| 31-Mar-23 | 1 | 0.44 | 4.88% |

(iv) The Group's chief operating decision maker consists of the board of directors of the Company who examines the Group's performance only from the product perspective and has accordingly, identified only one reportable segment which is business of manufacturing and distribution of plastic products.

| **Particulars** | **31 March 2023** |
|---|---|
| India | 9.00 |
| Outside India | 1.16 |
| Total | **10.16** |

(v) The total of non-current assets other than financial instruments and deferred tax assets, broken down by location of the assets, is shown below:

Non - Current Assets

| **Particulars** | **31 March 2023** |
|---|---|
| India | 365.88 |
| Outside India | 2.22 |
| Total | **368.10** |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in Crores)

**34 Related party disclosures**

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of related parties identified of the Group are as follows.

**(a) Entity Having Significant Influence**

| | | As at 31.03.2023 |
|---|---|---|
| Balkrishan Goenka, trustee of Welspun Group Master Trust | Shareholder | 44.86% |

**(b) Parent Entity**

Welspun Corp Limited **100%**

**(c) Key Managerial Personnel ("KMP")**

Mr. Altaf Jiwani, Director (w.e.f. 18.11.2022 to 29.03.2023)
Mr. Percy Birdy, Director (w.e.f. 18.11.2022 to 29.03.2023)
Mr. Mohan Manikkan, Director (w.e.f. 18.11.2022 to 29.03.2023)
Mr. Rajesh Mandawewala, Non-Executive Director (w.e.f. 29.03.2023)
Mr. Yashovardhan Agarwal, Non-Executive Director (w.e.f. 29.03.202
Mr. Arun Todarwal, Independent Director (w.e.f. 29.03.2023)
Mr. Chirag Goenka, Chief Financial Officer (w.e.f. 01.04.2023)
Mr. Jignesh Raval, Chief Financial Officer (upto 31.03.2023)
Mr. Yash Sheth, Company Secretary (w.e.f. 29.03.2023)
Mr. Devender K. Jairtah

**(d) Other related parties**

| Nature of Relationship | Name | Principal Place of Business |
|---|---|---|
| Subsidiary companies | Sintex Holdings B.V. | Netherlands |
| Step down subsidiaries | Sintex Logistics, LLC | U.S.A. |
| Fellow subsidiary | | |
| Enterprises over which Key Managerial Personnel are able to exercise significant influence / control | Welspun BAPL Pvt. Ltd. ( Formerly known as Plastauto Private Limited) | India |

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# Sintex-BAPL Limited

**Notes to the consolidated financial statements (continued)**
*as at 31 March 2023*
(Currency: Indian Rupees in Crores)

**(c) Transactions with related parties:**

| Nature of transactions | Year | Nature of Relationship | | | | | |
|---|---|---|---|---|---|---|---|
| | | Subsidiaries | Holding Company | Fellow Subsidiaries | Entities over KMP exercise significant influence / control | KMP | Total |
| **Issue of Optional Convertible Debentures (OCD)** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 370.70 | | | | 370.70 |
| **Repayment of Optional convertible debentures (OCD)** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 40.00 | | | | 40.00 |
| **Interest on Loan** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 0.17 | | | | 0.17 |
| **Interest on OCD** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 0.00 | | | | 0.00 |
| **Corporate Guarantee Fees** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 0.01 | | | | 0.01 |
| **Loan Received** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 100.00 | | | | 100.00 |
| **Loan Repaid** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 100.00 | | | | 100.00 |

**(b) Balance as at 31st March, 2023**

| Nature of transactions | Year | Nature of Relationship | | | | | |
|---|---|---|---|---|---|---|---|
| | | Subsidiaries | Holding Company | Fellow Subsidiaries | Entities over KMP exercise significant influence / control | KMP | Total |
| **Optional convertible debentures (OCD)** - Welspun Corp Limited | 2023 | | 330.70 | | | | 330.70 |
| **Other Financial Assets** - Welspun BAPL Pvt. Ltd. (Formerly known as Plast Auot Pvt. Ltd.) | 2023 | | | | 50.00 | | 50.00 |
| **Other Financial Liability** | | | | | | | |
| - Welspun Corp Limited Interest on Loan | 2023 | | 0.16 | | | | 0.16 |
| **Corporate Guarantee Fees** | | | | | | | |
| - Welspun Corp Limited | 2023 | | 0.01 | | | | 0.01 |

**Terms and Conditions:**

All transactions were made on normal commercial terms and conditions and at market rates.

All outstanding balances are unsecured and are payable in cash.

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**35 Disclosures for employee benefits**

**a) Defined contribution plans:**

The Group operates defined contribution retirement benefit plans for all qualifying employees in respect of its Indian subsidiaries. The assets of the plans are held separately from those of the Group in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

The Group makes Provident Fund and ESI Fund contributions to defined contribution plans for qualifying employees. Under these schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme.

**b) Defined benefit plans:**

The Group sponsors funded defined benefit plans for qualifying employees in respect of its Indian subsidiaries. The defined benefit plans are administered by a separate fund that is legally separated from the entity. The board of the fund is composed of an equal number of representatives from both employers and (former) employees. The board of the fund is required by law and by its articles of association to act in the interest of the fund and of all relevant stakeholders in the scheme, i.e. active employees, inactive employees, retirees, employers. The board of the fund is responsible for the investment policy with regard to the assets of the fund.

Under the Gratuity plan, the eligible employees are entitled to post-retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 60 (58 years for remaining business ) subject to ceiling of Rs. 0.20 cores. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years. Under the Compensated absences plan, leave encashment is payable to all eligible employees on separation from the Group due to death, retirement, superannuation or resignation. At the rate of daily salary, as per current accumulation of leave days.

The defined benefit pension plans requires contributions from employees. Contributions are in the following two forms; one is based on the number of years of service and the other one is based on a fixed percentage of salary of the employees.

The plans in India typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to market yields at the end of the reporting period on government bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in equity securities and debt instruments. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments. |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in Crores)

| | |
|---|---|
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is re-insured by an external insurance company. No other post-retirement benefits are provided to these employees.

**A. Gratuity**

The principal assumptions used for the purposes of actuarial valuation were as follows:

| **Particulars** | **31-Mar-23** |
|---|---|
| Discount rate | 7.40% |
| Expected rate(s) of salary increase | 7% |
| Attrition rate | 10-25% P.a. at Younger Age. Reducing to 3% at older age |
| Mortality rate | Indian assured lives mortality ultimate |

The amount included in balance sheet arising from the entity's obligation in respect of its defined benefit plans are as follows:

| **Particulars** | **31-Mar-23** |
|---|---|
| Present value of funded defined benefit obligation | 15.54 |
| Fair value of plan assets | (1.69) |
| **Net liability arising from defined benefit obligation** | **13.84** |
| Non-current | 12.61 |
| Current | 1.23 |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex-BAPL Limited

**Notes to the consolidated financial statements (continued)**

*as at 31 March 2023*

(Currency: Indian Rupees in Crores)

Movement in the present value of the defined benefit obligation are as follows:

| Particulars | 31-Mar-23 |
|---|---|
| Opening defined benefit obligation | 13.89 |
| Transferred pursuant to scheme of arrangement | - |
| Current service cost | 1.16 |
| Interest cost | 0.91 |
| Remeasurement (gains)/losses: | |
| Actuarial gains and losses arising from changes in financial assumptions | (0.54) |
| Actuarial gains and losses arising from change in demographic assumption | - |
| Actuarial gains and losses arising from experience adjustments | 0.73 |
| Past Service Cost | - |
| Benefits paid | (0.61) |
| **Closing defined benefit obligation** | **15.54** |

Movement in the fair value of the plan assets are as follows:

| Particulars | 31-Mar-23 |
|---|---|
| Opening fair value of plan assets | 0.92 |
| Transferred pursuant to scheme of arrangement | - |
| Interest income | 0.06 |
| Return on plan assets less loss on investments (excluding amounts included in interest incom | (0.05) |
| Remeasurement - Actuarial (gains)/losses | - |
| Contribution from the employer | 1.38 |
| Transfer of assets | - |
| Benefits paid | (0.61) |
| **Closing fair value of plan assets** | **1.70** |

Composition of the plan assets

| Particulars | 31-Mar-23 |
|---|---|
| Insurance policy | 98% - 100% |
| Bank balance | 0% - 2% |
| Total | **100%** |

**Sensitivity analysis:**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other

(Currency: Indian Rupees in Crores)

| Particulars | 31-Mar-23 | |
|---|---|---|
| | Increase | Decrease |
| Discount rate (0.5% movement) | 1.19 | 2.24 |
| withdrawal rate (0.5% movement ) | 1.72 | 1.67 |
| Future salary growth (0.5% movement) | 2.21 | 1.21 |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Each year an Asset-Liability-Matching study is performed in which the consequences of the strategic investment policies are analyzed in terms of risk-and-return profiles. Investment and contribution policies are integrated within this study.

The expected benefit payments is as follows:

| Defined benefit obligation | 31-Mar-23 |
|---|---|
| Less than 1 year | 2.15 |
| Between 1-2 years | 1.39 |
| Between 2-5 years | 4.89 |
| Over 5 years | 7.25 |
| **Total** | **15.68** |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex-BAPL Limited

**Notes to the consolidated financial statements (continued)**

*as at 31 March 2023*

(Currency: Indian Rupees in Crores)

**B Other long term employee benefits:**

The principal assumptions used for the purposes of actuarial valuation were as follows:

| **Particulars** | **31-Mar-23** |
|---|---|
| Discount rate | 7.40% |
| salary growth rate | 7.00% |
| withdrawal rates | 10-25% P.a. at Younger Age. Reducing to 3% at older age |

**Note:**

The amount disclosed in the balance sheet is allocated basis the liability as on 31st March, 2023

PIPARA & CO LLP CHARTERED ACCOUNTANTS

## Sintex-BAPL Limited
**Notes to the consolidated financial statements** ***(continued)***
*as at 31 March 2023*
(Currency: Indian Rupees in Crores)

**36 Fair value measurements**

**A. Accounting Classification & Fair Value Hierarchy**

**Financial Assets and Liabilities :**

The Group principal financial assets include investments, trade receivables, cash and cash equivalents, other bank balances, loans, derivative assets and other financial assets. The Company's principal financial liabilities comprise of borrowings, trade payables, derivative liabilities and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations and projects.

**Fair Value Hierarchy :**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels.

**Level 1 :** It includes investment in equity shares and mutual fund that has a quoted price and which are actively traded on the stock exchanges. It is been valued using the closing price as at the reporting period on the stock exchanges.

**Level 2 :** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3 :** These instruments are valued based on significant unobservable inputs whereby future cash flows are discounted using appropriate discount rate.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

**B. Accounting classification and fair values**
**As at 31 March 2023**

| Particulars | FVTPL | FVTOCI | Amortised cost | Total | Fair Value | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Level 1 - Quoted price in active markets | Level 2 - Significant observable inputs | Level 3 - Significant unobservable inputs | Total |
| Investments | - | - | - | - | - | - | - | - |
| Trade receivables | - | - | 9.00 | 9.00 | - | - | 9.00 | 9.00 |
| Cash and cash equivalents | - | - | 78.06 | 78.06 | - | - | 78.06 | 78.06 |
| Other bank balance | - | - | 102.96 | 102.96 | - | - | 102.96 | 102.96 |
| Loans | - | - | - | - | - | - | - | - |
| Other financial assets | - | - | 64.53 | 64.53 | - | - | 64.53 | 64.53 |
| **Total Financial assets** | - | - | **254.55** | **254.55** | - | - | **254.55** | **254.55** |
| Borrowings (incl. current maturities) | - | - | 148.76 | 148.76 | - | - | 148.76 | 148.76 |
| Trade payable | - | - | 112.41 | 112.41 | - | - | 112.41 | 112.41 |
| Other financial liabilities | - | - | 13.06 | 13.06 | - | - | 13.06 | 13.06 |
| **Total Financial liabilities** | - | - | **274.23** | **274.23** | - | - | **274.23** | **274.23** |

**Note :**

i) The carrying amounts of financial assets and liabilities other than those valued at Level 1 and Level 2 are considered to be the same as their fair values due to the current and short term nature of such balances and no material differences in the values.

PIPARA & CO LLP CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in Crores)

37 **Financial instruments risk management objectives and policies**

The Group's financial liabilities comprise mainly of borrowings, trade and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group is exposed to Market risk, Credit risk and Liquidity risk. The management oversight in the area of financial risks and controls. It also covers policies on specific risk areas such as currency risk, interest rate risk, credit risk and investment of surplus funds.

(i) **Credit risk**

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Group. The potential activities where credit risks may arise include from cash and cash equivalents, derivative financial instruments and security deposits or other deposits and principally from credit exposures to customers relating to outstanding receivables. The maximum credit exposure associated with financial assets is equal to the carrying amount. Details of the credit risk specific to the Group along with relevant mitigation procedures adopted have been enumerated below:

**Trade and other receivables**

The average credit period on sales of goods is 0 to 180 days. Credit Risk arising from trade receivables is managed in accordance with the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large.

**Age of receivables**

| Particulars | 31-Mar-23 |
|---|---|
| Not Due | - |
| 0-3 Months | 8.57 |
| 3-6 Months | - |
| 6-12 Months | 0.42 |
| more than 365 days | 0.01 |
| Total | 9.00 |

The Holding Company and its subsidiaries has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Holding Company and its subsidiaries uses publicly available financial information and its own trading records to rate its major customers. The Holding Company and its subsidiaries' exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The receivables which are past due but not impaired are assessed on case-to-case basis. Management is of the view that these financial assets are not impaired as there has not been any adverse change in credit quality and are envisaged as recoverable based on the historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available. There are no other classes of financial assets that are past due but not impaired.

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows:

| Particulars | Carrying amount |
|---|---|
| | 31-Mar-23 |
| India | 7.13 |
| Out side India | 1.87 |
| Total | 9.00 |

**Other financial assets**
Other financial assets includes loan to employees, security deposits, investments, cash and cash equivalents, other bank balance, advances to employees etc.
• Cash and cash equivalents and Bank deposits are placed with banks having good reputation and past track record with adequate credit rating.
• The credit risk on liquid funds is limited because the counterparties are institutions with high credit-ratings assigned by international credit-rating agencies.
• The Group has given security deposit to various government authorities. Being government authorities, the Holding Company and its subsidiaries does not have exposure to any credit risk.

(ii) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. The Group is exposed to liquidity risk due to bank borrowings and trade and other payables. The Group measures risk by forecasting cash flows. The Group approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group reputation. The Group ensures that it has sufficient fund to meet expected operational expenses, servicing of financial obligations.

PIPARA & CO LLP CHARTERED ACCOUNTANTS

(Currency: Indian Rupees in Crores)

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

| As at 31 March 2023 | Carrying amount | Contractual maturities | | | | |
|---|---|---|---|---|---|---|
| | | Total | Less than 12 months | 1 to 3 years | 3 to 5 years | > 5 years |
| **Non-derivative financial liabilities** | | | | | | |
| Borrowings (incl. current maturities) | 148.76 | 148.76 | 0.30 | 20.04 | 42.73 | 85.69 |
| Trade payables | 112.41 | 112.41 | 112.41 | - | | |
| Other financial liabilities | 13.06 | 13.06 | 13.06 | 0.00 | | |
| **Total** | **274.23** | **274.23** | **125.77** | **20.04** | **42.73** | **85.69** |

(iii) **Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments.

**(a) Currency risk**

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilizing forward foreign exchange contracts and currency options taken at the time of initiation of the booking by the management. Such decision is taken after considering the factors such as upside potential, cost of structure and the downside risks etc. Quarterly reports are submitted to Management Committee on the covered and open positions and MTM valuation. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

**Unhedged foreign currency exposure**

| Particulars | 31-Mar-23 | | | | |
|---|---|---|---|---|---|
| | USD | EUR | INR | Others | Total |
| **Financial assets** | | | | | |
| Trade receivables | 1.87 | - | 7.13 | - | 9.00 |
| Cash and cash equivalents | 3.62 | - | 74.44 | - | 78.06 |
| Bank balances other than (iii) above | - | 0.15 | 102.81 | - | 102.96 |
| Other financial assets | - | 10.73 | 53.80 | - | 64.53 |
| **Total Financial assets** | **5.49** | **10.88** | **238.17** | - | **254.55** |
| **Financial liabilities** | | | | | |
| Borrowings | 0.86 | - | 147.90 | - | 148.76 |
| Trade payables | 0.81 | 0.04 | 111.56 | - | 112.41 |
| Other financial liabilities | 0.17 | 3.98 | 8.91 | - | 13.06 |
| **Total Financial liabilities** | **1.84** | **4.02** | **268.37** | - | **274.23** |
| **Net exposure to foreign currency** | **(3.66)** | **(6.86)** | **30.20** | - | **19.68** |

**ii) Sensitivity analysis**

| Particulars | Impact on profit before tax 31-Mar-23 |
|---|---|
| Foreign Currency Exposure | |
| - increase by 10% | (1.05) |
| - decrease by 10% | 1.05 |

**Financial instruments risk management objectives and policies *(continued)***

The Company is mainly exposed to USD and EURO currency. The above table details the Company's sensitivity to a 10% increase and decrease in the INR against relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency risk denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A negative number below indicates an increase in profit/equity where the INR strengths 10% against the relevant currency. For a 10% weakening of the INR against the relevant currency, there would be a comparable impact on the profit/equity and the balances below would be positive.

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(Currency: Indian Rupees in Crores)

**b) Price risk**

The Group's exposure to price risk in the investment in mutual funds and equity shares arises from investments held by the Group and classified in the balance sheet as fair value through profit or loss including OCI. Management monitors the prices closely to mitigate its impact on profit and cash flows.

The investments in mutual funds are designated as FVTPL while investment in equity shares are designated as FVOCI.

**c) Interest rate risk**

The Group is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The Group has exposure to interest rate risk, arising principally on changes in PLR and LIBOR rates. The Group uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like non-convertible debentures and short term loans. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

**Exposure to interest rate risk**

The interest rate profile of the Group's interest - bearing financial instrument as reported to management is as follows:

| Particulars | 31-03-2023 |
|---|---|
| **Fixed-rate instruments** | |
| Financial assets | **102.96** |
| Financial liabilities | **148.76** |
| **Variable-rate instruments** | |
| Financial assets | - |
| Financial liabilities | - |

**Sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table provides break-up of the Company's fixed and floating rate borrowing and interest rate sensitivity analysis

| Particulars | Impact on profit before tax 31-Mar-23 | |
|---|---|---|
| Interest rate | | |
| - increase by 50 basis points | 0.74 | - |
| - decrease by 50 basis points | (0.74) | - |

**(iv) Capital management**

For the purpose of the Group's capital management, capital includes paid-up equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, to equity share holders.

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt and total equity of the Group.

The gearing ratio at the end of the reporting period are as follows:

| Particulars | 31-Mar-23 |
|---|---|
| Total borrowings* | 148.76 |
| Less: cash and bank balances | 78.06 |
| Net debt | 70.70 |
| Total equity | 397.37 |
| Net debt to equity ratio | 0.18 |

* Includes non-current borrowings and current borrowings.
The company has complied with all covenants
No changes were made in the objectives, policies or processes for managing capital during the years ended 31 Mar 2023.

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex-BAPL Limited

**Notes to the consolidated financial statements *(continued)***

*as at 31 March 2023*

(Currency: Indian Rupees in Crores)

**38 Reconciliation of the amount of revenue recognised in the statement of profit and loss with the contracted price:**

| Particulars | 31-Mar-23 |
|---|---|
| Revenue as per contracted price | 10.16 |
| Adjustments | |
| Discounts / rebates / incentives | - |
| Sales returns / credits / reversals | - |
| Deferrment of revenue | - |
| Any other adjustments | - |
| **Revenue from contract with customers** | **10.16** |

**39 The following are analytical ratios for the year ended March 31, 2023**

| Particulars | Numerator | Denominator | 31st March 2023 | Reasons for Variance (in case of deviation for more than 25%) |
|---|---|---|---|---|
| Current Ratio | Current assets | Current liabilities | 2.27 | Not Applicable |
| Debt – Equity Ratio | Total Debt | Total Equity | 0.37 | |
| Debt Service Coverage Ratio | Earnings available for debt service | Debt Service | 5.64 | |
| Return on Equity (ROE) | Loss for the year | Shareholder's Equity | 0.00 | |
| Inventory Turnover Ratio | Cost of Material Consumed | Closing Inventory | 0.08 | |
| Trade receivables turnover ratio | Revenue from operations | Closing Trade Receivable | 1.13 | |
| Trade payables turnover ratio | Purchases of goods and services | Closing Trade Payables | 0.02 | |
| Net capital turnover ratio | Revenue from operations | Working Capital | 0.05 | |
| Net profit ratio | Loss for the year | Revenue from operations | 13% | |
| Return on capital employed (ROCE) | Earning before interest and taxes | Capital Employed | 0% | |
| Return on Investment(ROI) | Earning before interest and taxes | Total Assets | 0% | |

1. Total debt = Non-current borrowings and Current borrowings
2. Earning for debt service = Profit for the year + Non-cash operating expenses like depreciation and other amortisations + Interest expenses
3. Debt service = Interest and principal repayments including lease payments
4. Cost of Goods Sold = Cost of material consumed + Purchases of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in progress
5. Working capital =Current assets (-) Current liabilities
6. Capital employed = Tangible net worth + Total debt + Deferred tax liability

**39A** The Board of Directors of the Company on March 29, 2023, have considered and approved the Scheme of Amalgamation of Mahatva Plastic Products Private Limited ("the Transferor Company") with Sintex-BAPL Limited ("the Transferee Company") and their respective shareholders, by way of merger by absorption pursuant to a scheme of amalgamation under the provision of Sections 230 - 232 of the Companies Act, 2013 and other applicable regulatory requirements having the Appointed Date as March 29, 2023.

PIPARA & CO LLP CHARTERED ACCOUNTANTS

**40 A. Implementation of Corporate Insolvency Resolution Plan and scheme of arrangement between Propel Plastic Products Private Limited and Sintex BAPL Ltd.:**

The Company went into Corporate Insolvency Resolution Process as on December 18, 2020, and on March 17, 2023, Hon'ble National Company Law Tribunal, Ahmedabad Bench, approved the resolution plan under Insolvency and Bankruptcy code (''IBC'').

As per the approved resolution plan, Propel Plastic Products Private Limited ("Propel") (wholly owned subsidiary of Welspun Corp. Limited) being the implementing entity agreed to pay consideration of Rs. 406.43 crores to acquire 100% shareholding of the Company and its plastic business by way of reverse merger of Propel with the Company by way of the scheme of arrangement (''Scheme'') approved by Hon'ble NCLT.

On March 29, 2023, the resolution plan stood implemented and new board of Directors had been constituted.

The acquisition of SBAPL fits into company's strategy to expand the Plastic Product Business while expanding its distribution channel and leverage the company's presence and strengths.

As per scheme, Propel merged into and with the Company as amalgamation. This has been treated as a reverse acquisition for financial reporting purposes in accordance with Ind AS 103, with Propel as the accounting acquirer/ legal acquiree and Company as the accounting acquiree/ legal acquirer. These financial statements reflect the assets and liabilities of Propel measured at their pre-acquisition carrying value and acquisition date fair value of the identified assets acquired and liabilities taken over with respect to the Company.

Pursuant to the scheme, the Company has issued 113,308 Equity shares of Rs. 10 each (equivalent to the Networth of Propel) to the shareholders of the Propel. Further, the existing share capital held by shareholders of the company were cancelled/written back upon implementation of the scheme.

Fair value of identifiable assets and liabilities in respect of business combination is provided below:

| No. | Particulars | Amount |
|---|---|---|
| A | Consideration transferred | |
| | Cash | 406.43 |
| | Total Consideration (A) | **406.43** |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

## Sintex BAPL Limited

**Notes to the consolidated financial statements (continued)**

*as at 31 March 2023*

(Currency: Indian Rupees in Crores)

| B | Fair value of identifiable assets and liabilities recognised as a result of the Reverse acquisition | |
|---|---|---|
| | **Particulars** | **Amount** |
| | **Non-current Assets** | |
| | Property, plant, and equipment, ROU Assets, Intangible Assets | 365.58 |
| | Other financial assets | 2.46 |
| | Other non-current Assets | 0.04 |
| | **Current Assets** | |
| | Inventories | 72.24 |
| | Trade Receivables | 8.10 |
| | Cash and cash equivalent | 143.86 |
| | Other financial assets | 23.93 |
| | Current tax assets | 11.12 |
| | Other current assets | 24.16 |
| | **Total assets (a)** | **651.49** |
| | **Non-current Liabilities** | |
| | Provisions | 18.88 |
| | **Current liabilities** | |
| | Borrowings | 0.86 |
| | Trade payables | 122.65 |
| | **Other financial liabilities** | 11.00 |
| | Provisions | 2.22 |
| | Other liabilities | 24.45 |
| | **Total liabilities (b)** | **180.06** |
| | **Fair value of identifiable net assets (a-b) (B)** | **471.43** |
| C | **Capital Reserve (A-B)** | **(65.00)** |

Capital reserve represents the gain on bargain purchase which is directly recognized in other equity as capital reserve. The acquisition date fair value of accounting acquiree's identifiable assets and liabilities are based on independent valuations obtained by the Company.

**Revenue and profit contribution**

The acquired business contributed revenue from operation of Rs. 10.16 crores and profit of Rs. 1.32 crores to the company for the year ended March 31, 2023.

**B.** *Corporate Insolvency Resolution process (CIRP) dues are classified as below

| Particulars | Amount as at March 31, 2023 |
|---|---|
| Trade payable | 92.92 |
| Provisions | 2.70 |
| Other current liabilities | 2.20 |
| Total | **97.82** |

* Corresponding Bank balance has been earmarked and disclosed under Other Bank balances.

**C.** As per the approved resolution plan, on and from March 29, 2023, upon payment made to financial creditors, the Company shall at no point of time be, directly or indirectly, held responsible or liable to make any further payments. Upon payment made to operational creditors, all claims, debt, and liabilities including contingent liabilities of the Company stands discharged, settled, extinguished in full and reduced to NIL.

PIPARA & CO LLP CHARTERED ACCOUNTANTS

## 41 Additional regulatory requirements under Schedule III

### (i) Details of Benami Property held

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

### (ii) Borrowing secured against current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts.

### (iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

### (iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

### (v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

### (vi) Compliance with approved scheme(s) of arrangements

Accounting in these financial statements has been done in accordance with the accounting treatment prescribed in the Resolution plan approved by the NCLT which is in line with the accounting treatment prescribed by Ind AS 103 for reverse acquisition business combinations.

### (vii) Utilization of borrowed fund and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex BAPL Limited

**Notes to the consolidated financial statements (continued)**
*as at 31 March 2023*
(Currency: Indian Rupees in Crores)

**(viii) Undisclosed income**

There is no income surrendered or disclosed as income during the current year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(ix) Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current year.

**(x) Valuation of PP&E, intangible asset and investment property**

The Company has not revalued its property, plant and equipment (including Right-of-Use assets) or intangible assets or both during the current year.

**(xi) Title deeds of immovable properties not held in name of the company**

The title deeds of all the immovable properties, as disclosed in Note 4(a) on property, plant and equipment and Note 4(b) on investment property to the financial statements, are held in the name of the Company, except for the following:

| Relevant line item in the balance sheet | Description of item of property | Gross Carrying value (Amount in crs.) | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the company (also indicate if in dispute) |
|---|---|---|---|---|---|---|
| Property Plant and Equipment | Freehold Land (Location - Saij) having Survey No. 204/1, 205/1, 208, 211, 214 | 27.41 | Sintex Prefab and Infra Limited | Sintex Prefab and Infra Ltd was the former Fellow Subsidiary of Sintex-BAPL Limited. | March 23, 2017 (Date of Demerger of Sintex-BAPL Limited and Sintex Industries Limited, pursuant to which the Land was received) | The tile deed and land records were not updated after merger. The company is in process of updating the same. |
| Property Plant and Equipment | Freehold Land (Location - Kalol) having Survey No. 335, 344 P2, 205/2 | 27.32 | Sintex Industries Limited | Sintex Industries Limited was the former holding company of Sintex-BAPL Limited. | March 23, 2017 (Date of Demerger of Sintex-BAPL Limited and Sintex Industries Limited, pursuant to which the Land was received) | The tile deed and land records were not updated after merger. The company is in process of updating the same. |

PIPARA & CO LLP CHARTERED ACCOUNTANTS

# Sintex BAPL Limited

**Notes to the consolidated financial statements (continued)**

*as at 31 March 2023*

(Currency: Indian Rupees in Crores)

**42** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The draft rules for the Code on Social Security, 2020 have been released by the Ministry of Labour and Employment on November 13, 2020. The Company is in the process of assessing the additional impact on Provident Fund contributions and on Gratuity liability contributions and will complete their evaluation and give appropriate impact in the standalone financial statements in the period in which the rules that are notified become effective.

**43 Core Investment Companies (CIC)**

Management has assessed that there are three CIC in the Group ('Companies in the Group' is as defined in Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, as amended).

**44** As Sintex BAPL is the legal acquirer however accounting acquirer is Propel and hence it has been accounted as reversed merger. Accordingly, post merger financial reflects profit and loss of SBAPL from effective date i.e, March 29, 2023. The comparative financial information has not been given as propel was incorporated during the year.

For **Pipara & Co LLP**
Chartered Accountants
FRN No: 107929W/W100219

**Naman Pipara**
Partner
M. No: 140234
**UDIN: 23140234BGQHNC2737**

PIPARA & CO LLP CHARTERED ACCOUNTANTS

**Place -** Ahmedabad
**Date -25-05-2023**

**For and on behalf of the Board of Directors of**
**Sintex-BAPL Limited**
CIN U25199GJ2007PLC051364

**Rajesh Mandawewala**
Director
DIN No. 00007179

**Place -** Mumbai
**Date -25-05-2023**

**Yashovardhan Agarwal**
Director
DIN No. 032011711

**Place -** Mumbai
**Date -25-05-2023**

**Chetan Joshi**
*President F&A*

**Samir Joshipura**
*Chief Executive Officer*

**Yash Sheth**
Company Secretary
ICSI Membership no. A36328

**Place -** Ahmedabad
**Date -25-05-2023**

**Chirag Goenka**
Chief Financial Officer

**Place -** Ahmedabad
**Date -25-05-2023**

Sintex BAPL Ltd.

(Currency: Indian Rupees in Crores)

Form AOC-1

(Pursuant to first porviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" :Subsidiaries

| Sr. No. | Name of the Subsidiary Company | Dates since when subsidiary was acquired | Reporting period | Reporting Currency# | Share Capital | Other Equity | Total Assets | Total Liabilities | Investments other than Investments in subsidiaries | Turnover/ Total Income | Profit Before Taxation | Provision for Taxation | Profit After Taxation | Proposed Dividend | % of Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Sintex Holdings B.V. (SHVB) * | 12/05/2017 | 31-12-22 | USD | 143.88 | (128.04) | 19.86 | 4.02 | - | - | - | - | - | - | 100% by Sintex BAPL Ltd |
| 2 | Sintex Logistics LLC* | 25/07/2017 | 31-03-23 | USD | 8.98 | (7.39) | 20.52 | 18.93 | - | 1.16 | 0.18 | - | 0.18 | - | 100% by SHBV |

# The Indian rupee equivalents of the figures given in the foreign currencies in the accounts of the subsidiary companies, have been given on the basis of appropriate exchange rate as follows :

Closing rate:
31 March 2023: 1 USD = 82.22
31 March 2022: 1 USD = 75.76

Average rate:
31 March 2023: 1 USD = 82.29
31 March 2022: 1 USD = 74.50

* Financial Information is based on Unaudited Results.

Notes:

1. Name of subsidiaries which are yet to commence operations - Nil
2. Name of subsidiaries which have been liquidated or sold during the year - BAPL Rototech Private Limited-Kindly refer Director's report for detail thereof.

Part "B" :Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| | | | Share of Associate / Joint Ventures held by the company on the year end | | | | Profit / Loss for the year | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Name of Associates/ Joint Ventures | Latest audited Balance Sheet Date | No. | Amount of Investment in Associate/ Joint Venture ( in crore) | Extent of Holding % | Networth attributable to Shareholding as per latest audited Balance Sheet ( in crore) | Considered in Consolidation ( in crore) | Not Considered in Consolidation | Description of how there is significant influence | Reason why the associate / joint venture is not consolidated |
| NIL | | | | | | | | | | |

For and on behalf of the Board of Directors of
Sintex-BAPL Limited
CIN U25199GJ2007PLC051364

Yashovardhan Agarwal
Director
DIN No. 032011711

Rajesh Mandawewala
Director
DIN No. 00007179

Place - Mumbai
Date -25-05-2023

Place - Mumbai
Date -25-05-2023

Chirag Goenka
Chief Financial Officer

Yash Sheth
Company Secretary
ICSI Membership no. A36328

Chetan Joshi
President F&A

Samir Joshipura
Chief Executive Officer

Place - Ahmedabad
Date -25-05-2023

Place - Ahmedabad
Date -25-05-2023