



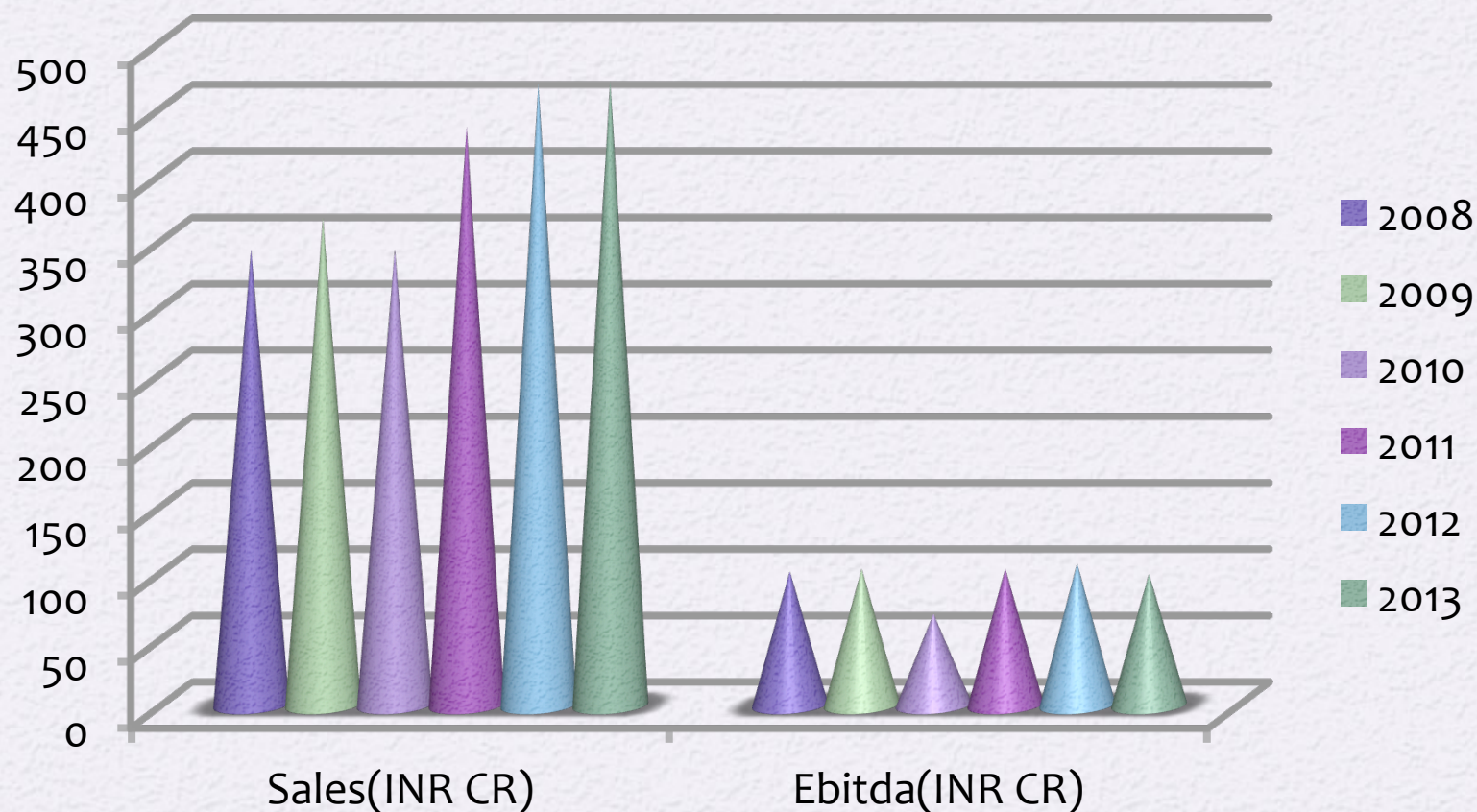
New Textile Project Launched

Spinning Unit with 300,000 spindles to be ramped up
to 1 Million Spindles in five years

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Sintex Textile Trend



Maintained high margins consistently and serve the best of worlds clientele with High End Structured Dyed Yarn Fabric. Six decade of rich experience in Textiles.

Textile Trade Globally and India

- Globally \$708 Bn grew from 527Bn in 5 years. (Cotton is 117 Bn: 16.52%)
- India Share \$29.4Bn. India Third largest Producer of Cotton in the World after US and China. India Textile is 4% of GDP and 17% to Exports Earnings.
- India exports 25% of Cotton and is abundantly available. Gujarat produces 70% of India Cotton (grew from 2.3mn bales to 12.3mn bales in 10 Yrs).
- India Acreage for cotton increasing every year as compared to China, where it is decreasing due to focus on food grains and other priority crops.
- China and other countries cost of Production increasing like Labor and Power.
- India emerging better production country due to improvement in Infrastructure, Power, Indigenous talent and Value add production from Fiber to Fashion

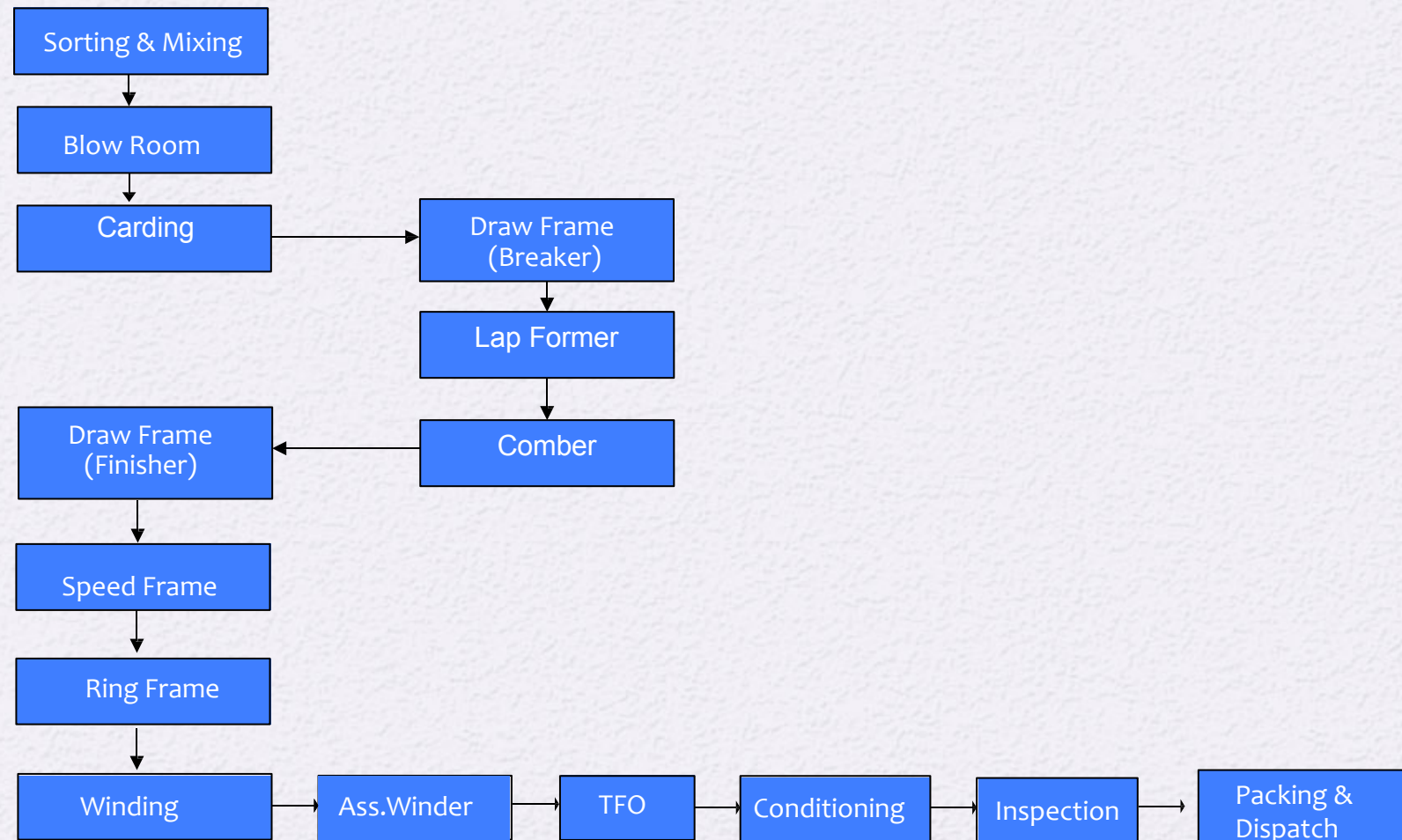
India Yarn Scenario

- Asia holds 85% market share Globally. Asia is dominating now and China and India together hold 78% of Asia share. India has 47.8mn spindles (20% share globally) operating at 80% utilization. Likely to grow to 66mn by 2020.
- India would reach 8 Mn TPA of yarn with 1.5 Mn TPA exports by 2020. The country would add about 75000 shuttle less looms by 2020. Approx 72% of yarn capacity (Total currently 4.7 Mn TPA) is to Cotton and exports 1.07Mn TPA.
- The demand to further go up (almost 20%) due to domestic as well as overseas, as production in some countries decreasing due to cost of production and acreage. Cost of factors of production now favorably poised (labor, Power, Finance with subsidy).
- The Price of Cotton fiber to Yarn increased only by 4% in China as compared to 50% in India YOY. India the cotton prices went down by 3% while Yarn prices went up by 19%, hence margins surged.
- Currently serviced by small unorganized units spreads over States which are power deficient and not so efficient. Total 3273 units with 1333 small units.
- All leading MNC manufacturers of Spinning unit equipment like Rieter, Toyota, Truetzschler, Zinser and Oerlikon Schlafhorst etc all have their bases in India, in form of JV, Sales and Service Centre etc.
- India Enterprising skills have improved a lot and now competing with best in the world. India has stable Government, Economic policies and constantly improving Infrastructure.

Gujarat New Textile Policy

- 7% Interest Subsidy over and above 4% TUF by Central Govt. Hence cost of borrowing is almost Zero.
- Gujarat has surplus power and will be available to Spinning units on subsidized rate lesser by Rs. 1/unit.
- Duty exemption @ 15% on power tariff is also expected
- VAT refund till cost of Project is recovered.
- Gujarat has 70% of cotton production but production of Yarn mainly outside states which are not so power efficient.
- Policy intended to increase value add in entire chain of Fiber to Fabric and Fabric to Foreign, and hence better earning to farmers as well as Industrialists.
- Good Infrastructure in terms of Roads, Ports and Industrial environment.

Process Flow



Blow Room (Auto Bale Plucking)



Blow Room (Opening Of Cotton)



Blow Room (Opening and Transporting of Cotton)



Carding Machine (Fiber to Fiber Preparation)



Draw Frame (Evenising & Parallelizing of Fiber)



LAP Former



Comber (Removal of Short Fiber)



AUTO-LEVELER Draw Frame (Evenising & Parallelizing of Fiber)



Roving Frame

(Intermediate Stage of Yarn Forming)



Ring Frame - (Yarn Forming)



Automatic Cone Winder

(Removal of Yarn Fault and Making Bigger Package)



Yarn Conditioning

(Setting of Twisting Yarn and Improving Performance)



Project Highlights

- 300,000 spindles unit to cost approx INR 1700 Crores. This is likely to be ramped up to 1 million Spindles in 5 years time horizon.
- 300K unit to provide 500 direct and 1200 indirect employment.
- The Project to yield IRR of 18%
- The project to payback in 3-4 years
- The Project COD approx within 24 months.
- The Project to augment better profitability on existing business due to value add Yarn and with in house production benefits.



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