

Sarla Performance Fibers Ltd.

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(O)+91 22 2283 4116/6632 4038
(O)+91 22 4032 2786-4032 2795
(F) +91 22 2285 1728
info@sarlafibers.com
CIN : L31909DN1993PLC000056



www.sarlafibers.com

24th July, 2020

SPFL / 2020-2021

BSE Limited

1st Floor, New Trading Ring, Phiroze
Jeejeebhoy Towers, Dalal Street, Fort,
Mumbai – 400001

Security Code: 526885

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Bandra Kurla
Complex, Bandra (East),
Mumbai – 400051

Symbol: SARLAPOLY

Dear Sir / Madam,

Subject: Outcome of Board Meeting pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") held on 24th July, 2020

Pursuant to Regulation 30 of the Listing Regulations, we would like to inform you that the Board of Directors of the Company at its meeting held today at Mumbai, *inter alia*, has considered and approved the following: -

1. The Standalone and Consolidated audited financial statements of the Company for the financial year ended 31st March, 2020; the Financial Results of the Company for the quarter ended 31st March, 2020 along with Statement of Assets and Liabilities and Statement of Cash Flows for the half year ended 31st March, 2020 along with Auditors' Report thereon.

Pursuant to Regulation 33 of the Listing Regulations, we are submitting herewith: -

1. Audited Financial Results of the Company on Standalone and Consolidated basis for the quarter and year ended 31st March, 2020 along with Auditors' Report issued by CNK & Associates LLP, Chartered Accountant, Statutory Auditors of the Company attached as "**Annexure A**".
2. The Statement of Impact of Auditor Qualification for Standalone and Consolidated as "**Annexure B**".

A copy of the above-mentioned results along with the Auditors' Report on the Financial Results are uploaded on the website of the Company i.e. **www.sarlafibers.com**.

The Meeting of the Board of Directors of the Company commenced at 12:00 P.M. and concluded at 4:00 P.M.

Regd. Off. & Works 1:
Survey No. 59/1/4.
Amlī Pipariā Industrial Estate,
Silvassa - 396 230,
U.T. Dadra & Nagar Haveli

Works 2:
Survey No. 64/2/3/4,61/1,61/2,62/5,63/5,63/7,
Amlī Pipariā Industrial Estate,
Silvassa - 396 230,
U.T. Dadra & Nagar Haveli

Vapi Works:
Shed No. A1 / 48,
100 Sheds Area,
GIDC, Vapi - 396 195
(Gujarat)



Works 3:
Survey No. 213/P,
Plot No. 11 & 12, ,
Dadra - 396 191,
U.T. Dadra & Nagar Haveli.

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Kindly display the same on the website of the Exchange for the information of the general public as well as members of the Stock Exchange.

Thanking you.

Yours faithfully,

For **Sarla Performance Fibers Limited**

A handwritten signature in blue ink, appearing to read 'Sheth'.

Mahendra Sheth

Chief Financial Officer and Company Secretary



Encl.: As above

Regd. Off. & Works 1:
Survey No. 59/1/4.
Amli Piparia Industrial Estate,
Silvassa - 396 230,
U.T. Dadra & Nagar Haveli

Works 2:
Survey No. 64/2/3/4,61/1,61/2,62/5,63/5,63/7,
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Vapi Works:
Shed No. A1/48,
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GIDC, Vapi - 396 195
(Gujarat)

Works 3 :
Survey No. 213/P,
Plot No. 11 & 12, ,
Dadra - 396 191,
U.T. Dadra & Nagar Haveli.

Independent Auditor's Review Report on Quarterly Unaudited Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To

The Board of Directors

Sarla Performance Fibers Limited

Report on Audit of Consolidated Financial Results

Qualified Opinion

We have audited the accompanying statement of quarterly and year to date Consolidated Financial Results of Sarla Performance Fibers Limited ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the quarter and year ended 31st March, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements and on the other information of the subsidiaries, the Statement:

- i. Includes the results of the entities as mentioned in Annexure;
- ii. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- iii. except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, gives a true and fair view in conformity with the applicable Indian accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Group for the quarter and year ended 31st March, 2020.



Basis for Qualified Opinion

Sarlaflex, Inc., the wholly owned subsidiary having total assets of Rs. 16,070 lakhs has suspended manufacturing operations since December, 2017 and has a negative net worth as on 31st March, 2020. These conditions raise substantial doubt about its ability to continue as a going concern.

In the absence of any impairment testing by management for these assets during the year, we are unable to comment on the impact, if any, on the consolidated financial results.

Our report for previous quarter and previous year was also qualified in respect of the above matter.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act") except as mentioned in Emphasis of Matters para below. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" 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 together with the 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 Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

- a) The investment made by the wholly owned subsidiary of the group M/s. Sarla Overseas Holdings Limited (SOHL) in three Joint Ventures are not consolidated on account of non-resolution of disputes, or non-receipt of financial statements for the year ended 31st March, 2020. Though these investments have been tested for impairment and necessary provisions have been made in FY 2017-18 on transition to Ind AS, we are unable to comment about impact of the same on the Consolidated financial results;
- b) On account of our inability to conduct a physical verification as on 31st March, 2020 owing to the lockdown restrictions imposed by the Government as well as absence of the said verification procedures undertaken by the company, we have relied on details as provided by the management and related adjustments to confirm the existence and condition of inventory at the year-end;

Our opinion is not modified in respect of these matters.

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Management and Board of Director's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the Consolidated financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group, in accordance with the applicable Indian accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors 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 of the Group 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 Statement 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 Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors 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 Company's financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.



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 Statement, 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 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 Group has adequate internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls as applicable.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the 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 ability of the Group 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 Statement 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, 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. Our responsibilities in this regard are further described in para (a) of the section titled "Other Matters" in this audit report.



We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are 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.

We also performed procedures in accordance with the Circular No. CIR/CFD/CMDI/44/2019 dated 29th March, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matters

- a) We did not audit the financial statements of a stepdown subsidiary included in the statement, whose financial statements reflect total assets of Rs. 248 lakhs, total liabilities of Rs.284 lakhs as at 31st March, 2020; total revenue of Rs. 282 lakhs and total comprehensive loss of Rs. 58 lakhs for the year ended 31st March, 2020 as considered in the Consolidated Financial Results. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this step down subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid step down subsidiary, is based solely on the reports of the other auditors.

This step down subsidiary is located outside India whose financial statements and other financial information has been prepared in accordance with accounting principles generally accepted in its country and which have been audited by other auditor under generally accepted auditing standards applicable in its country. The Holding Company's management has converted the financial statements of such stepdown subsidiary located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the balances and affairs of such stepdown subsidiary is based on the report of other auditor and conversion adjustments prepared by the management of the Holding Company and audited by us;

Our opinion is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

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- b) The Statement includes the results for the quarter ended 31st March, 2020 being the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For C N K & Associates LLP

Chartered Accountants

Firm Registration No. 101961W/W-100036



Himanshu Kishnadwala

Partner

Membership No. 37391

UDIN: 20037391AAAADM4183



Place: Mumbai

Date: 24th July, 2020

Annexure to the Limited Review Report:

Subsidiaries (held directly)

- a. Sarla Overseas Holding Limited
- b. Sarlaflex Inc

Subsidiaries (held indirectly)

- a. Sarla Europe, Lda
- b. Sarlaflex LLC
- c. Sarla Estate LLC
- d. Sarla Leverage Lender LLC

Joint Ventures (held indirectly)

- a. Savitex SA De C. V. Honduras;
- b. MRK SA De C. V. Honduras;
- c. Sarla Tekstil Filament Sanayi Ticaret A.S.

Handwritten signature/initials



Independent Auditor's Report on the quarterly and Year to Date Audited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To

The Board of Directors of

Sarla Performance Fibers Limited

Report on Audit of Standalone Financial Results

Qualified Opinion

We have audited the accompanying statement of quarterly and year to date Standalone Financial Results of Sarla Performance Fibers Limited (the "Company") for the quarter and year ended 31st March, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, gives a true and fair view in conformity with the applicable Indian accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter and year ended 31st March, 2020.

Basis for Qualified Opinion

As on 31st March, 2020, the Company has an exposure to its Wholly Owned Subsidiary 'Sarlaflex, Inc.' of Rs. 8,670 lakhs towards investments in equity, preference shares and unsecured loans. The Company also has indirect exposure in Sarlaflex, Inc. by way of unsecured loans amounting to Rs. 6,739 lakhs through its wholly owned subsidiary, Sarla Overseas Holdings Limited (SOHL).

Sarlaflex, Inc. has suspended manufacturing operations since December, 2017 and has a negative net worth as on 31st March, 2020. These conditions raise substantial doubt about its ability to continue as a going concern.

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In the absence of any impairment testing by management during the year, we are unable to comment on the impact, if any, on the we are unable to comment on the impact, if any, on standalone annual financial results.

Our report for previous quarter and previous year was also qualified in respect of the above matter.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act") except as mentioned in Emphasis of Matters para below. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" 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 together with the ethical requirements that are relevant to our audit of the Standalone 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 Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for qualified our opinion.

Emphasis of Matters

On account of our inability to conduct a physical verification as on 31st March, 2020 owing to the lockdown restrictions imposed by the Government as well as absence of the said verification procedures undertaken by the Company, we have relied on details as provided by the management and related adjustments to confirm the existence and condition of inventory at the year- end;

Our opinion is not modified in respect of these matters.

Management and Board of Director's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the Standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the applicable Indian accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 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 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 the Board of Directors.



- Conclude on the appropriateness of the 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 uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matter

The Statement includes the results for the quarter ended 31st March, 2020 being the balancing figure between the audited figures in respect of the full financial year ended 31st March, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to limited review by us, as required under the Listing Regulations.

For C N K & Associates LLP
Chartered Accountants
Firm Registration No. 101961W/W-100036



Himanshu Kishnadwala
Partner
Membership No. 37391
UDIN: 20037391AAAADL4607



Place: Mumbai
Date: 24th July, 2020

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED AND YEAR ENDED 31ST MARCH 2020

	PARTICULARS	STANDALONE				CONSOLIDATED			
		Quarter Ended		Year Ended		Quarter Ended		Year Ended	
		31-Mar-20 AUDITED	31-Dec-19 UNAUDITED	31-Mar-19 AUDITED	31-Mar-20 AUDITED	31-Mar-19 AUDITED	31-Dec-19 UNAUDITED	31-Mar-19 AUDITED	31-Mar-20 AUDITED
	Income								
1	Revenue From Operations	6,698	7,672	8,291	29,832	31,632	8,010	8,464	31,094
2	Other Income	421	343	425	1,804	1,809	436	519	1,754
3	Total Income (1+2)	7,120	8,015	8,716	31,636	33,441	8,446	8,983	32,848
4	Expenses:								
a)	Cost of raw material consumed	3,021	3,785	4,496	14,333	17,611	3,842	4,528	14,379
b)	Purchases of Stock-in-trade	-	-	-	-	-	-	-	-
c)	Changes in inventories of finished goods, work in progress and stock in trade	49	(511)	(31)	(470)	(265)	(517)	(188)	(54)
d)	Employee benefit expenses	330	356	349	1,346	1,150	392	393	1,494
e)	Finance costs	233	298	277	963	727	345	286	1,058
f)	Depreciation and amortisation expense	490	435	396	1,767	1,448	625	587	2,520
g)	Other expenses	2,466	2,923	1,988	10,010	8,537	2,955	2,104	10,294
	Total expenses (a to g)	6,589	7,287	7,475	27,950	29,208	7,640	7,712	29,691
5	Profit before Tax (3-4)	530	729	1,241	3,686	4,233	806	1,271	3,157
6	Tax Expenses - Current Tax	179	156	118	1,031	961	156	127	1,046
	- Deferred Tax	(149)	37	169	(799)	321	37	172	(799)
	- Adjustments for earlier years	-	-	0	-	-	-	0	-
7	Profit after tax (5-6)	500	536	955	3,454	2,951	613	972	2,911
8	Other Comprehensive Income								
a)	(i) Items that will not be reclassified to profit or loss	32	(4)	7	21	(14)	(4)	17	21
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(9)	1	(2)	(6)	5	1	(6)	(6)
b)	(i) Items that will be reclassified to profit or loss	-	-	-	-	-	(65)	12	112
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
9	Total Other Comprehensive Income	23	(2)	5	15	(9)	(67)	24	127
10	Total Comprehensive Income (7+8)	522	534	960	3,469	2,942	546	996	3,038
	Profit attributable to:								
	Owners of the company	500	536	955	3,454	2,951	607	978	2,932
	Non controlling Interest	-	-	-	-	-	7	(6)	(21)
11	Other Comprehensive Income attributable to								
	Owners of the company	23	(2)	5	15	(9)	(68)	22	124
	Non controlling Interest	-	-	-	-	-	1	2	3
12	Total Comprehensive Income attributable to								
	Owners of the company	522	534	960	3,469	2,942	538	1,000	3,056



	Non controlling Interest		-	-	-	-	-	-	(41)	7	(3)	(18)	18
13	Paid-Up Equity Share Capital (Face Value Of Share - Re.1/-Each)	835	835	835	835	835	835	835	835	835	835	835	835
14	Reserves excluding Revaluation Reserves (as per balance sheet)	-	-	-	34,375	31,307	-	-	-	-	-	30,985	28,324
15	Earnings Per Share (EPS)												
	Basic (in Rs)	0.60	0.64	1.14	4.14	3.53	0.59	0.73	1.17	3.51	3.04		
	Diluted (in Rs)	0.60	0.64	1.14	4.14	3.53	0.59	0.73	1.17	3.51	3.04		

NOTES :

- The auditors have in their report on the standalone and consolidated results, modified their opinion in respect of not testing for impairment of investments/assets of the company's Wholly owned Subsidiary Sarlaflex, Inc. The management is exploring all the options to resolve the matter and hopeful in coming months the decision would be made.
- The Audit Committee has reviewed these results and the Board of Directors have approved the above results at their meeting held on 24th July, 2020.
- The Board of Directors have not recommended dividend of for the financial year 2019-20 in view of current prevailing uncertainty about the future.
- Effective from April.1, 2019, on implementation of Ind AS 116 'Leases', the Group has made transition adjustment as per para C8 (c) (ii) of Ind AS 116, i.e. prospective implementation without changing opening balance of reserves and adoption of this standard did not have any material impact on the profit of the current year.
- Deferred tax credit for the current period includes an amount of Rs 584 Lakhs arising on restatement of outstanding deferred tax liabilities consequent to reduction in applicable tax rates effective from current financial year 2019-2020.
- Figures of three months ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial year.
- The company has analysed all the parameters associated with the risk due to Covid-19 and has assessed that covid-19 and the business changes thereafter will have no material impact on the going concern of the company.



8 The company's business activity falls under two business segment- Yarn and Wind Power is as under:

Particulars	STANDALONE						CONSOLIDATED					
	Quarter Ended			Year Ended			Quarter Ended			Year Ended		
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-19	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-19
1. Segment Revenues (Net)	AUDITED	UNAUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	UNAUDITED	AUDITED	AUDITED	AUDITED	AUDITED
(a). YARN	6,608	7,561	8,196	29,081	30,944	30,944	7,039	7,898	8,368	30,343	31,743	31,743
(b). WIND POWER	112	130	124	858	809	809	112	130	124	858	809	809
Less: Intercompany	21	19	28	107	122	122	21	19	28	107	122	122
Net Sales/Income From Operations	6,698	7,672	8,291	29,832	31,632	31,632	7,129	8,010	8,464	31,094	32,430	32,430
2. Segment Results												
(a). YARN	1,169	1,391	1,910	5,942	6,276	6,276	1,148	1,515	1,949	5,508	5,970	5,970
(b). WIND POWER	20	73	34	430	345	345	20	73	34	430	345	345
Less : Finance cost (Unallocable)	233	298	277	963	727	727	250	345	286	1,058	807	807
Less : Admin cost (Unallocable)	425	437	425	1,722	1,661	1,661	425	437	425	1,722	1,661	1,661
Total Profit Before Tax	530	729	1,241	3,686	4,233	4,233	494	806	1,271	3,157	3,847	3,847
3. Segment Assets												
(a). YARN	49,263	50,018	46,034	49,263	46,035	46,035	56,214	56,439	52,452	56,214	52,455	52,455
(b). WIND POWER	8,034	8,172	8,212	8,034	8,212	8,212	8,034	8,172	8,212	8,034	8,212	8,212
(c). UNALLOCATED	1,605	1,599	1,140	1,605	1,140	1,140	1,605	1,599	1,140	1,605	1,140	1,140
Total	58,903	59,790	55,386	58,903	55,386	55,386	65,853	66,210	61,804	65,853	61,807	61,807
4. Segment Liabilities												
(a). YARN	19,858	21,276	19,343	19,858	19,343	19,343	30,190	31,287	28,716	30,190	28,718	28,718
(b). WIND POWER	3,836	3,840	3,902	3,836	3,902	3,902	3,836	3,840	3,902	3,836	3,902	3,902
(c). UNALLOCATED	-	-	-	-	-	-	-	-	-	-	-	-
Total	23,694	25,116	23,245	23,694	23,245	23,245	34,026	35,127	32,618	34,026	32,620	32,620
5. Capital Employed												
(a). YARN	29,406	28,742	26,691	29,406	26,690	26,690	26,025	25,153	23,736	26,024	23,737	23,737
(b). WIND POWER	4,198	4,333	4,310	4,198	4,310	4,310	4,198	4,332	4,310	4,198	4,310	4,310
(c). UNALLOCATED	1,605	1,599	1,140	1,605	1,140	1,140	1,605	1,599	1,140	1,605	1,140	1,140
Total	35,209	34,674	32,141	35,209	32,140	32,140	31,828	31,084	29,186	31,827	29,187	29,187

9 Figures relating to corresponding period of the previous year have been regrouped wherever necessary.



Consolidated Statement of cash flows for the year ended 31st March, 2020

(Rs in lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A Cash flow from operating activities		
Profit before tax	3,157	3,847
Adjustments for:		
Finance costs	1,058	807
Depreciation and amortisation expenses	2,520	2,204
Interest on income tax	4	3
Interest income	(829)	(510)
Gain on disposal of property, plant and equipment	(4)	(30)
Gain on disposal of investments	-	24
Gain on fair value of investments	(24)	(129)
Dividend Income on Current investments	(1)	(31)
Government Grant	-	(1)
Unrealised exchange gain or loss on foreign currency translations	726	(43)
Foreign currency translation reserve	82	(608)
Operating profit before working capital changes	6,690	5,532
Movements in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	461	57
Trade receivables	(1,068)	(111)
Current loans	(1)	(17)
Non-current loans	317	156
Other current assets	(303)	(923)
Other non current assets	(624)	(613)
Other current financial assets	308	(354)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(432)	308
Other current financial liabilities	139	150
Other financial liabilities	(52)	(70)
Other current liabilities	(75)	(251)
Provisions	66	16
Cash generated from operations	5,424	3,879
Direct taxes paid (net)	(936)	(856)
Net cash generated from operating activities (A)	4,488	3,024
B Cash flows from investing activities		
Bank balances other than Cash & Cash equivalents	(1,740)	(1,895)
Purchase of property, plant and equipment	(2,463)	(4,155)
Purchase of Intangible Assets	(79)	-
Payments for the principal portion of lease liability	(19)	-
Payments for the interest portion of lease liability	(3)	-
Proceeds from disposals of property, plant and equipment	5	92
Purchase of non current investments	(1,615)	(393)
Proceeds from sale of investments	606	-
Purchase of current investments	(0)	70
Interest received	536	286
Dividend Income on Current investments	1	31
Net cash (used in) investing activities (B)	(4,772)	(5,964)
C Cash flow from financing activities		
Proceeds from non current borrowings	4,406	2,979
Repayment of non current borrowings	(730)	(708)
Proceeds from current borrowings	(1,884)	865
Interest paid	(1,038)	(780)
Dividend paid	(413)	(412)
Net cash (used in) financing activities (C)	341	1,943
NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	57	(996)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Balances with banks in current accounts and deposit accounts	605	1,616
Cash on hand	25	11
CASH AND CASH EQUIVALENTS AS PER NOTE 16	631	1,627
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Balances with banks in current accounts and deposit accounts	665	605
Cash on hand	22	25
CASH AND CASH EQUIVALENTS AS PER NOTE 16	687	631



Consolidated Statement of assets and liabilities:

(Rs in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
I ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	26,342	25,543
(b) Capital Work in progress	-	1,030
(c) Intangible assets	-	4
(d) Intangible assets under development	79	-
(e) Investments accounted for using equity method	-	-
(f) Financial Assets		
(i) Investments	8,458	7,414
(ii) Loans	749	1,066
(iii) Other financial assets	2,774	2,512
(g) Non current Tax Assets (Net)	184	44
(h) Deferred Tax Assets (Net)	357	328
(i) Other non-current assets	2,897	2,273
Total non-current assets	41,841	40,214
(2) Current assets		
(a) Inventories	5,297	5,758
(b) Financial Assets		
(i) Investments	26	37
(ii) Trade receivables	9,091	8,024
(iii) Cash and cash equivalents	687	631
(iv) Bank balances other than (iii) above	6,265	4,562
(v) Loans	128	127
(vi) Other financial assets	200	440
(c) Other current assets	2,317	2,015
Total current assets	24,012	21,593
Total Assets	65,853	61,807
II EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	835	835
(b) Other Equity	30,985	28,326
Equity attributable to equity share holders	31,820	29,162
Non-controlling interests	7	25
Total equity	31,827	29,187
Liabilities		
(1) Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	16,403	14,998
(ii) Other financial liabilities	7	78
(b) Provisions	123	96
(c) Deferred tax liabilities (Net)	2,769	3,173
(d) Other non-current liabilities	-	-
Total non-current liabilities	19,302	18,346
(2) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	6,869	8,454
(ii) Trade payables		
(A) total outstanding dues of micro enterprises and small enterprises	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1,146	1,579
(iii) Other financial liabilities	6,345	3,699
(b) Other current liabilities	279	339
(c) Provisions	83	66
(d) Current Tax Liabilities (Net)	-	139
Total current liabilities	14,724	14,274
Total Equity and Liabilities	65,853	61,807



Standalone Statement of assets and liabilities:

(Rs in lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
I ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	21,915	20,748
(b) Capital Work in progress	-	1,030
(c) Intangible assets	-	4
(d) Intangible assets under development	79	-
(e) Financial Assets	8,604	780
(i) Investments	1,580	1,103
(ii) Loans	477	8,448
(iii) Other financial assets	2,774	2,512
(f) Non current Tax Assets (Net)	184	44
(g) Other non-current assets	376	330
Total non-current assets	35,988	34,998
(2) Current assets		
(a) Inventories	3,813	3,896
(b) Financial Assets		
(i) Investments	26	37
(ii) Trade receivables	9,751	9,049
(iii) Cash and cash equivalents	559	412
(iv) Bank balances other than (iii) above	6,265	4,562
(v) Loans	25	31
(vi) Other financial assets	200	440
(c) Other current assets	2,275	1,961
Total current assets	22,915	20,388
Total Assets	58,903	55,386
II EQUITY AND LIABILITIES		
Equity		
(a) Equity Share capital	835	835
(b) Other Equity	34,375	31,307
Total equity	35,211	32,142
Liabilities		
(1) Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	6,587	6,009
(ii) Other financial liabilities	7	-
(b) Provisions	123	96
(c) Deferred tax liabilities (Net)	2,769	3,173
(d) Other non-current liabilities	-	-
Total non-current liabilities	9,486	9,278
(2) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	6,869	8,452
(ii) Trade payables	-	-
(A) total outstanding dues of micro enterprises and small enterprises	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	790	1,435
(iii) Other financial liabilities	6,346	3,699
(b) Other current liabilities	119	176
(c) Provisions	83	66
(d) Current Tax Liabilities (Net)	-	139
Total current liabilities	14,207	13,967
Total Equity and Liabilities	58,903	55,387



Statement of cash flows for the year ended 31st March, 2020

(Rs in lakhs)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A Cash flow from operating activities		
Profit before tax	3,686	4,233
Adjustments for:		
Finance costs	963	727
Depreciation and amortisation expenses	1,767	1,448
Interest on income tax	4	3
Interest income	(829)	(510)
Gain on disposal of property, plant and equipment	(4)	(30)
Gain on disposal of investments	-	24
Gain on fair value of investments	(24)	(129)
Dividend Income on Current investments	(1)	(31)
Dividend Income from Subsidiary	(430)	(427)
Unrealised exchange gain or loss on foreign currency translations	512	(595)
Operating profit before working capital changes	5,644	4,714
Movements in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	(702)	(2,174)
Inventories	83	330
Current loans	6	(8)
Non-current loans	360	67
Other non current assets	(46)	(149)
Other current assets	(312)	(912)
Other current financial assets	308	(354)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(645)	363
Other current financial liabilities	139	150
Other current liabilities	(73)	44
Other financial liabilities	26	-
Provisions	65	15
Cash generated from operations	4,852	2,085
Direct taxes paid (net)	(923)	(849)
Net cash generated from operating activities (A)	3,929	1,236
B Cash flows from investing activities		
Bank balances other than Cash & Cash equivalents	(1,741)	(1,895)
Purchase of property, plant and equipment	(2,079)	(4,155)
Purchase of Intangible Assets	(79)	-
Payments for the principal portion of lease liability	(19)	-
Payments for the interest portion of lease liability	(3)	-
Proceeds from disposals of property, plant and equipment	9	92
Purchase of non current investments	(1,048)	(16)
Proceeds from sale of investments	606	-
Purchase of current investments	(0)	70
Loans to Subsidiaries	0	(0)
Interest received	536	285
Dividend Income on Current investments	1	31
Dividend Income from Subsidiary	430	427
Net cash (used in) investing activities (B)	(3,387)	(5,160)
C Cash flow from financing activities		
Proceeds from non current borrowings	3,580	2,718
Repayment of non current borrowings	(730)	(708)
Proceeds from current borrowings	(1,883)	2,165
Interest paid	(944)	(700)
Dividend paid	(418)	(420)
Net cash (used in) financing activities (C)	(395)	3,055
D NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	147	(869)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
Balances with banks in current accounts and deposit accounts	388	1,271
Cash on hand	23	9
CASH AND CASH EQUIVALENTS AS PER NOTE 16	412	1,280
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
Balances with banks in current accounts and deposit accounts	540	388
Cash on hand	19	23
CASH AND CASH EQUIVALENTS AS PER NOTE 16	559	412

For Sarla Performance Fibers Limited

Krishna M. Jhunjunwala
Director (DIN: 00097175)

Place : Mumbai.

Dated : 24th July 2020



SARLA PERFORMANCE FIBERS LTD

CIN : L31909DN1993PLC000056

Regd. Office :- Survey No. 59/1/4, Amli Piparia Industrial Estate, Silvassa - 396 230 (U.T. of Dadra & Nagar Haveli)
Tel. 0260-3290467, Fax : 0260-2631356, E-mail : Silvassa@sarlabfibers.com, Website : www.sarlabfibers.com

Statement of audited Financial Results for quarter ended & year ended March 31, 2020

Sr No.	Particulars	Standalone				Consolidated			
		Quarter ended Audited 31-Mar-2020	Quarter ended Unaudited 31-Dec-2019	Quarter ended Audited 31-Mar-2020	Quarter ended Audited 31-Mar-2019	Quarter ended Unaudited 31-Dec-2019	Quarter ended Audited 31-Mar-2019	Year ended Audited 31-Mar-2020	Year ended Audited 31-Mar-2019
1	Total Income From Operations	7,120	8,015	8,716	33,441	7,650	8,446	32,848	34,187
2	Net Profit for the period (before tax, exceptional and/or extraordinary item)	530	729	1,241	4,233	494	806	3,157	3,847
3	Net Profit for the period before tax (after exceptional and/or extraordinary item)	530	729	1,241	4,233	494	806	3,157	3,847
4	Net Profit for the period after tax (after exception and/or extraordinary item)	500	536	955	2,951	448	613	2,911	2,553
5	Total Comprehensive Income for the period [Comprising profit/(loss) for the period (after tax) and other comprehensive income (after tax)]	522	534	960	2,942	668	546	3,038	2,355
6	Equity Share Capital (Face Value of Re. 1/-each)	835	835	835	835	835	835	835	835
7	Reserves excluding Revaluation Reserves (as per balance sheet)				31,307			30,985	28,326
8	Earnings Per Share (Face Value of Re. 1 per Share) (Not Annualised) Basic and Diluted (In Rs.)	0.60	0.64	1.14	3.53	0.59	0.73	3.51	3.04

Notes:

- The company has analysed all the parameters associated with the risk due to Covid-19 and has assessed that covid-19 and the business changes thereafter will have no material impact on the going concern of the company.
- The above is an extract of the financial results for the quarter ended and year ended 31st March, 2020 which have been reviewed by the Audit Committee and approved by Board of Directors in their meeting held on 24th July, 2020 and filed with the stock exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the aforesaid financial results are available on the website of the Company, Bombay Stock Exchange Limited and National Stock Exchange of India Limited i.e. www.sarlabfibers.com, www.bseindia.com and www.nseindia.com

Krishna M. Jhunjhunwala
Director (DIN: 00097175)

Place: Mumbai

Dated : 24th July 2020



Statement on Impact of Audit Qualifications (for Audit report with modified opinion) submitted along-with Quarterly Results - Standalone

Statement on Impact of Audit Qualifications for the Quarter ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Reviewed Figures (as reported before adjusting for qualifications)	Adjusted Figures (reviewed figures after adjusting for qualifications)
	1	Turnover / Total income	31,636	31,636
	2	Total Expenditure	27,950	27,950
	3	Net Profit/(Loss)	3,454	3,454
	4	Earnings Per Share	4.14	4.14
	5	Total Assets	58,903	58,903
	6	Total Liabilities	23,694	23,694
	7	Net Worth	35,209	35,209
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II. Audit Qualification (each audit qualification separately):				
	<p>a. Details of Audit Qualification:- As on 31st March, 2020, the Company has an exposure to its Wholly Owned Subsidiary 'Sarlaflex, Inc.' of Rs. 8,670 lakhs towards investments in equity, preference shares and unsecured loans. The Company also has indirect exposure in Sarlaflex, Inc. by way of unsecured loans amounting to Rs. 6,739 lakhs through its wholly owned subsidiary, Sarla Overseas Holdings Limited (SOHL). Sarlaflex, Inc. has suspended manufacturing operations since December, 2017 and has a negative net worth as on 31st March, 2020. These conditions raise substantial doubt about its ability to continue as a going concern.</p> <p>In the absence of any impairment testing by management during the year, we are unable to comment on the impact, if any, on the we are unable to comment on the impact, if any, on standalone annual financial results.</p>			
	<p>b. Type of Audit Qualification : Qualified Opinion</p>			
	<p>c. Frequency of qualification: Repeat</p>			
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable.</p>			
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>			
	<p>(i) Management's estimation on the impact of audit qualification:</p>			
	<p>(ii) If management is unable to estimate the impact, reasons for the same:- The auditors have in their report on the standalone and consolidated results, modified their opinion in respect of not testing for impairment of investments/assets of the company's Wholly owned Subsidiary Sarlaflex, Inc. The management is exploring all the options to resolve the matter and hopeful in coming months the decision would be made.</p>			



(iii) Auditors' Comments on (i) or (ii) above:- None

III. Signatories:

CEO/Managing Director

King Ch

CFO



oovetu

Audit Committee Chairman

P. Dene

Statutory Auditor



Kishoradhab

Place: Mumbai

Date: 24th July, 2020

Statement on Impact of Audit Qualifications (for Audit report with modified opinion) submitted along-Quarterly Results - Consolidated

Statement on Impact of Audit Qualifications for the Quarter ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Reviewed Figures (as reported before adjusting for qualifications)	Adjusted Figures (reviewed figures after adjusting for qualifications)
	1	Turnover / Total income	32,848	32,848
	2	Total Expenditure	29,691	29,691
	3	Net Profit/(Loss)	2,911	2,911
	4	Earnings Per Share	3.51	3.51
	5	Total Assets	65,853	65,853
	6	Total Liabilities	34,026	34,026
	7	Net Worth	31,828	31,828
	8	Any other financial item(s) (as felt appropriate by the management)		
II. Audit Qualification (each audit qualification separately):				
	<p>a. Details of Audit Qualification:- Sarlaflex, Inc., the wholly owned subsidiary having total assets of Rs. 16,070 lakhs has suspended manufacturing operations since December, 2017 and has a negative net worth as on 31st March, 2020. These conditions raise substantial doubt about its ability to continue as a going concern. In the absence of any impairment testing by management for these assets during the year, we are unable to comment on the impact, if any, on the consolidated financial results.</p>			
	<p>b. Type of Audit Qualification : Qualified Opinion</p>			
	<p>c. Frequency of qualification: Repeat</p>			
	<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not applicable</p>			
	<p>e. For Audit Qualification(s) where the impact is not quantified by the auditor:</p>			
	<p>(i) Management's estimation on the impact of audit qualification:</p>			
	<p>(ii) If management is unable to estimate the impact, reasons for the same:- The auditors have in their report on the standalone and consolidated results, modified their opinion in respect of not testing for impairment of investments/assets of the company's Wholly owned Subsidiary Sarlaflex, Inc. The management is exploring all the options to resolve the matter and hopeful in coming months the decision would be made.</p>			

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(iii) Auditors' Comments on (i) or (ii) above:- None

III. Signatories:

• CEO/Managing Director

Arjun

• CFO



Suresh

• Audit Committee Chairman

P. Datta

• Statutory Auditor



A. K. Datta

Place: Mumbai

Date: 24th July, 2020