

Sarla Performance Fibers Ltd.

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CIN : L31909DN1993PLC000056



www.sarlafibers.com

9th November, 2019

SPFL/ 2019-2020

BSE Limited

Corporate Relationship Department
1st Floor, New Trading Ring,
Phiroze Jeejeebhoy Towers, Dalal Street,
Fort, Mumbai – 400001
Fax No.: 2272 3121 / 2272 2037

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400051
Fax No.: 2659 8348 / 2659 8237

Security Code: 526885

Symbol: SARLAPOLY

Subject: Outcome of Board Meeting of Sarla Performance Fibers Limited

Dear Sir / Madam,

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") we enclose the Statement of Unaudited Financial Results on Standalone and Consolidated basis for the Second Quarter and Half Year ended 30th September, 2019, duly reviewed by the Audit Committee and approved by the Board of Directors of the Company, at its meeting held today.

We also enclose a Copy of Limited Review Report of the Auditors of the Company on the unaudited Financial Results (Consolidated and Standalone) of the Company for the Second quarter and Half Year ended on 30th September, 2019, as required under Regulation 33 of the Listing Regulations.

The proceedings of the meeting of the Board commenced at 12:00 PM and concluded at 15:30 PM

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.

For Sarla Performance Fibers Limited

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,
Amli Piparia 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.

Independent Auditor's Review Report on Standalone Unaudited Quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**To The Board of Directors****Sarla Performance Fibers Limited**

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of Sarla Performance Fibers Limited ("the Company") for the quarter ended 30th September, 2019 and year to date from 1st April, 2019 to 30th September, 2019 (the "Statement") together with the notes thereon attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time ('Listing Regulations').
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Basis for Qualified opinion:
 - a) As on 30th September, 2019, the Company has an exposure to its Wholly Owned Subsidiary 'Sarlaflex, Inc.' of Rs.596 lakhs towards investment in equity and towards unsecured loan of Rs.7,808 lakhs. The Company also has indirect exposure in Sarlaflex, Inc. by way of unsecured loans amounting to Rs. 6,068 lakhs through its wholly owned subsidiary, Sarla Overseas Holdings Limited.



Sarlaflex, Inc. has suspended manufacturing operations since December, 2017 and has a negative net worth as on 30th September 2019. These conditions raise substantial doubt about its ability to continue as a going concern.

In the absence of any impairment testing by management during the period, we are unable to comment on the impact of the said impairment, if any, on standalone financial results. Our report for previous quarter and previous year was also qualified for the same.

- b) The company has not restated loans given to its subsidiary Sarlaflex, Inc to its presentation currency which is not in compliance with provisions of Ind AS 21 'The Effects of Changes in Foreign Currency Rates', resulting into understatement of loans and advances by Rs. 199.94 lakhs, profits for the quarter and period by Rs. 199.94 lakhs, with corresponding effect on retained earnings.
5. Based on our review conducted as above, except for the possible effect of the matter described in the paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For C N K & Associates LLP

Chartered Accountants

Firm Registration No. 101961W/W-100036



Vijay Mehta

Partner

Membership No. 106533

UDIN: 19106533AAAAGM9028

Place: Mumbai

Date: 09th November, 2019



Independent Auditor's Review Report On Consolidated Unaudited Quarterly and year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Board of Directors

Sarla Performance Fibers Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Sarla Performance Fibers Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 30th September, 2019 and year to date from 1st April, 2019 to 30th September, 2019 ("the statement"), together with the notes thereon attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time ('Listing Regulations'). Attention is drawn to the fact that in terms of the requirement of the Circular, consolidated unaudited figures for the corresponding quarter ended 30th September 2018 and the corresponding period from 1st April, 2018 to 30th September, 2018, have been approved by the Parent's Board of Directors, but have not been subjected to limited review by us.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, ('the Act'), and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.



3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information is limited primarily to inquiries of Parent's persons responsible for financial and accounting matters, and applying analytical and other review procedures to financial data. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the subsidiaries as mentioned in Annexure to the Report.
5. Basis for Qualified opinion:

Sarlaflex, Inc., the wholly owned subsidiary having total assets of Rs.15,277 lakhs has suspended manufacturing operations since December, 2017 and has a negative net worth as on 30th September 2019. 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 of the said impairment, if any, on consolidated financial results. Our report for previous quarter and previous year was also qualified for the same.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above except for the possible effect of the matter described in the paragraph 5 above, nothing has



come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the applicable Indian Accounting Standards (Ind AS), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Emphasis of Matter:

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 period ended 30th September, 2019. Such investment have been tested for impairment and necessary provisions have been made in previous years, we are unable to comment about impact of the same on the Consolidated Statement of Profit and Loss.

Our opinion is not modified in respect of these matters.

For C N K & Associates LLP

Chartered Accountants

Firm Registration No. 101961W/W-100036



Vijay Mehta

Partner

Membership No. 106533

UDIN: 19106533AAAAAGN6407

Place: Mumbai

Date: 09th November, 2019



Annexure to the Limited Review Report:

Subsidiaries (held directly)

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

Subsidiaries (held indirectly)

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

Joint Ventures (held indirectly) (refer para 7)

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



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)

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED AND HALF YEAR ENDED 30TH SEPTEMBER 2019

(Rs. in lakhs except EPS)

	PARTICULARS	STANDALONE						CONSOLIDATED					
		Quarter Ended			Period Ended		Year Ended	Quarter Ended			Period Ended		Year Ended
		30-Sep-19 UNAUDITED	30-Jun-19 UNAUDITED	30-Sep-18 UNAUDITED	30-Sep-19 UNAUDITED	30-Sep-18 UNAUDITED	31-Mar-19 AUDITED	30-Sep-19 UNAUDITED	30-Jun-19 UNAUDITED	30-Sep-18 UNAUDITED	30-Sep-19 UNAUDITED	30-Sep-18 UNAUDITED	31-Mar-19 AUDITED
	Income												
1	Revenue From Operations	8,060	7,400	8,253	15,461	15,399	31,632	8,250	7,705	8,376	15,955	15,847	32,430
2	Other Income	785	255	569	1,040	950	1,810	448	349	236	797	707	1,757
3	Total Income (1+2)	8,845	7,656	8,822	16,501	16,349	33,442	8,698	8,053	8,612	16,752	16,554	34,188
4	Expenses:												
a)	Cost of raw material consumed	3,816	3,711	4,449	7,528	8,326	17,611	3,785	3,737	4,453	7,521	8,352	17,705
b)	Purchases of Stock-in-trade	-	-	-	-	-	-	-	-	-	-	-	-
c)	Changes in inventories of finished goods, work in progress and stock in trade	31	(38)	128	(7)	227	(265)	99	144	(218)	243	(46)	(517)
d)	Employee benefit expenses	347	314	265	661	520	1,150	378	353	301	730	594	1,303
e)	Finance costs	175	167	150	342	278	727	161	213	172	373	327	807
f)	Depreciation and amortisation expense	436	405	347	841	690	1,448	623	590	536	1,213	1,061	2,205
g)	Other expenses	2,325	2,385	2,512	4,710	4,462	8,537	2,389	2,423	2,543	4,812	4,621	8,837
	Total expenses (a to g)	7,131	6,943	7,852	14,074	14,503	29,209	7,434	7,459	7,788	14,893	14,909	30,341
5	Profit before Tax (3-4)	1,714	713	970	2,427	1,847	4,233	1,264	594	824	1,858	1,645	3,847
6	Tax Expenses - Current Tax	486	210	276	696	614	961	487	210	276	696	614	971
	- Deferred Tax	31	(718)	(41)	(687)	(52)	321	31	(719)	(41)	(688)	(52)	323
	- Adjustments for earlier years	-	-	-	-	-	(0)	0	(0)	-	-	-	(0)
7	Profit after tax (5-6)	1,196	1,222	736	2,418	1,285	2,951	746	1,103	589	1,849	1,084	2,553
8	Other Comprehensive Income												
a)	(i) Items that will not be reclassified to profit or loss	(4)	(4)	(11)	(7)	(21)	(14)	(4)	(4)	(11)	(7)	(21)	(14)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	1	1	4	2	7	5	1	1	4	2	7	5
b)	(i) Items that will be reclassified to profit or loss	-	-	-	-	-	-	(99)	13	(183)	(85)	(330)	(189)
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
	Total Other Comprehensive Income	(3)	(2)	(7)	(5)	(14)	(9)	(101)	11	(190)	(90)	(344)	(198)
9	Total Comprehensive Income (7+8)	1,193	1,220	729	2,413	1,271	2,942	645	1,114	399	1,759	740	2,355
10	Profit attributable to:												
	Owners of the company	1,196	1,222	736	2,418	1,285	2,951	735	1,100	583	1,834	1,067	2,536
	Non controlling Interest	-	-	-	-	-	-	11	4	6	15	17	17
11	Other Comprehensive Income attributable to												
	Owners of the company	(3)	(2)	(7)	(5)	(14)	(9)	(102)	11	(191)	(91)	(346)	(198)
	Non controlling Interest	-	-	-	-	-	-	0	0	1	0	2	0
12	Total Comprehensive Income attributable to												
	Owners of the company	1,193	1,220	729	2,413	1,271	2,942	633	1,111	393	1,744	721	2,338
	Non controlling Interest	-	-	-	-	-	-	12	4	7	15	19	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)	-	-	-	-	-	31,307	-	-	-	-	-	28,326
15	Earnings Per Share (EPS)												
	Basic (in Rs)	1.43	1.46	0.88	2.90	1.54	3.53	0.88	1.32	0.70	2.20	1.28	3.04
	Diluted (in Rs)	1.43	1.46	0.88	2.90	1.54	3.53	0.88	1.32	0.70	2.20	1.28	3.04



NOTES :

- 1 The auditors have in their report on the standalone and consolidated results, modified their opinion in respect of loans advanced to its subsidiary for not restating the same into presentation currency and also for not testing impairment of investments/assets of the company's Wholly owned Subsidiary Sarlaflex, Inc. Regarding the exposure to the Wholly owned Subsidiary Sarlaflex, Inc, the management is confident that with the recent trade sanctions being imposed in the US, the operations of the subsidiary will be profitable. The management is also monitoring the situation on a continuous basis and is confident that there would be no need for an impairment at this stage and has not restated loans advanced to subsidiary in presentation currency..
- 2 The Audit Committee has reviewed these results and the Board of Directors have approved the above results at their meeting held on 9th November, 2019.
- 3 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 quarter.
- 4 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.
- 5 Consolidated financial results for the quarter ended 30th September 2019 have been subjected to Limited Review by the Statutory Auditors for the first time pursuant to amendments made in Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Comparative figures for the quarter and period ended 30th September 2018 are as compiled by the management and approved by the Board of Directors but have not been subjected to limited review by the auditors.
- 6 The company's business activity falls under two business segment- Yarn and Wind Power is as under:

(Rs in lakhs)

Particulars	STANDALONE						CONSOLIDATED					
	Quarter Ended			Period Ended		Year Ended	Quarter Ended			Period Ended		Year Ended
	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19	30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1. Segment Revenues (Net)												
(a). YARN	7,764	7,148	7,969	14,913	14,877	30,944	7,954	7,452	8,092	15,406	15,325	31,743
(b). WIND POWER	340	276	332	616	595	809	340	276	332	616	595	809
Less: Intercompany	44	24	48	68	73	122	44	24	48	68	73	122
Net Sales/Income From Operations	8,060	7,400	8,253	15,461	15,399	31,632	8,250	7,705	8,376	15,955	15,847	32,430
2. Segment Results												
(a). YARN	2,117	1,175	1,313	3,292	2,627	6,276	1,653	1,102	1,189	2,754	2,474	5,970
(b). WIND POWER	204	133	216	337	312	345	204	133	216	337	312	345
Less : Finance cost (Unallocable)	175	167	150	342	278	727	161	213	172	373	327	807
Less : Admin cost (Unallocable)	432	428	409	860	814	1,661	432	428	409	860	814	1,661
Total Profit Before Tax	1,714	713	970	2,427	1,847	4,233	1,264	594	824	1,858	1,645	3,847
3. Segment Assets												
(a). YARN	50,642	46,780	44,092	50,642	44,092	46,038	56,884	53,088	53,205	56,884	53,205	52,458
(b). WIND POWER	8,487	8,266	8,427	8,487	8,427	8,212	8,487	8,266	8,427	8,487	8,427	8,212
(c). UNALLOCATED	1,567	543	1,066	1,567	1,066	1,140	1,567	543	1,066	1,567	1,066	1,140
Total	60,697	55,589	53,585	60,697	53,585	55,390	66,938	61,896	62,697	66,938	62,697	61,810
4. Segment Liabilities												
(a). YARN	19,345	18,376	19,161	22,702	19,161	19,345	32,542	27,743	30,804	32,542	30,804	28,722
(b). WIND POWER	3,855	3,852	3,900	3,855	3,900	3,902	3,855	3,852	3,900	3,855	3,900	3,902
(c). UNALLOCATED	-	-	-	-	-	-	-	-	-	-	-	-
Total	26,557	22,228	23,061	26,557	23,061	23,247	36,397	31,595	34,704	36,397	34,704	32,624
5. Capital Employed												
(a). YARN	27,940	28,404	24,931	27,940	24,931	26,692	24,342	25,345	22,400	24,342	22,400	23,736
(b). WIND POWER	4,632	4,414	4,527	4,632	4,527	4,310	4,632	4,414	4,527	4,632	4,527	4,310
(c). UNALLOCATED	1,567	543	1,066	1,567	1,066	1,140	1,567	543	1,066	1,567	1,066	1,140
Total	34,140	33,361	30,524	34,140	30,524	32,142	30,541	30,302	27,993	30,541	27,993	29,186

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



Consolidated Statement of assets and liabilities:

(Rs in lakhs)

	Particulars	As at 30th Sept 2019	As at 31st March 2019
I	ASSETS		
(1)	Non-current assets		
	(a) Property, Plant and Equipment	24,664	23,606
	(b) Capital Work in progress	-	1,030
	(c) Intangible assets	1,898	1,946
	(d) Intangible assets under development	63	-
	(e) Right to use of lease assets	30	-
	(f) Investments accounted for using equity method	-	-
	<u>(f) Financial Assets</u>		
	(i) Investments	7,981	7,414
	(ii) Loans	1,083	1,066
	(iii) Other financial assets	3,171	2,511
	(g) Non current Tax Assets (Net)	44	44
	(h) Deferred Tax Assets (Net)	335	328
	(i) Other non-current assets	2,673	2,273
	Total non-current assets	41,943	40,218
(2)	Current assets		
	(a) Inventories	6,379	5,759
	<u>(b) Financial Assets</u>		
	(i) Investments	36	37
	(ii) Trade receivables	8,360	8,024
	(iii) Cash and cash equivalents	451	630
	(iv) Bank balances other than (iii) above	7,006	4,561
	(v) Loans	125	127
	(vi) Other financial assets	421	440
	(d) Other current assets	2,217	2,014
	Total current assets	24,996	21,592
	Total Assets	66,938	61,810



	Particulars	As at 30th Sept 2019	As at 31st March 2019
II	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	835	835
	(b) Other Equity	29,665	28,326
	Equity attributable to equity share holders	30,500	29,161
	Non-controlling interests	41	25
	Total equity	30,541	29,186
	Liabilities		
(1)	Non-current liabilities		
	<u>(a) Financial Liabilities</u>		
	(i) Borrowings	17,860	14,998
	(ii) Other financial liabilities	111	78
	(b) Provisions	116	96
	(c) Deferred tax liabilities (Net)	2,651	3,172
	(d) Other non-current liabilities	5	5
	Total non-current liabilities	20,743	18,349
(2)	Current liabilities		
	<u>(a) Financial Liabilities</u>		
	(i) Borrowings	8,063	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	2,175	1,579
	(iii) Other financial liabilities	4,790	3,698
	(b) Other current liabilities	375	340
	(c) Provisions	97	65
	(d) Current Tax Liabilities (Net)	154	139
	Total current liabilities	15,654	14,275
	Total Equity and Liabilities	66,938	61,810



Standalone Statement of assets and liabilities:

(Rs in lakhs)

	Particulars	As at 30th Sept 2019	As at 31st March 2019
I	ASSETS		
(1)	Non-current assets		
	(a) Property, Plant and Equipment	20,142	18,812
	(b) Capital Work in progress	-	1,030
	(c) Intangible assets	1,898	1,946
	(d) Intangible assets under development	63	-
	(e) Right to use of lease assets	30	-
	(f) Investments in Subsidiaries	780	780
	<u>(g) Financial Assets</u>		
	(i) Investments	1,531	1,103
	(ii) Loans	8,397	8,448
	(iii) Other financial assets	3,171	2,511
	(h) Non current Tax Assets (Net)	44	44
	(i) Other non-current assets	498	329
	Total non-current assets	36,554	35,003
(2)	Current assets		
	(a) Inventories	4,758	3,895
	<u>(b) Financial Assets</u>		
	(i) Investments	36	37
	(ii) Trade receivables	9,393	9,049
	(iii) Cash and cash equivalents	330	411
	(iv) Bank balances other than (iii) above	7,006	4,561
	(v) Loans	34	31
	(vi) Other financial assets	421	440
	(c) Other current assets	2,165	1,963
	Total current assets	24,143	20,387
	Total Assets	60,697	55,390

(H)



	Particulars	As at 30th Sept 2019	As at 31st March 2019
II	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	835	835
	(b) Other Equity	33,305	31,307
	Total equity	34,140	32,142
	Liabilities		
(1)	Non-current liabilities		
	<u>(a) Financial Liabilities</u>		
	(i) Borrowings	8,470	6,009
	(ii) Other financial liabilities	31	-
	(b) Provisions	116	96
	(c) Deferred tax liabilities (Net)	2,652	3,172
	(d) Other non-current liabilities	5	5
	Total non-current liabilities	11,274	9,282
(2)	Current liabilities		
	<u>(a) Financial Liabilities</u>		
	(i) Borrowings	8,062	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	1,980	1,435
	(iii) Other financial liabilities	4,791	3,698
	(b) Other current liabilities	199	177
	(c) Provisions	97	65
	(d) Current Tax Liabilities (Net)	154	139
	Total current liabilities	15,283	13,966
	Total Equity and Liabilities	60,697	55,390

(9)



Consolidated Statement of cash flows for the year ended 30th Sept, 2019

(Rs in lakhs)

	Particulars	For the year ended 30th Sept, 2019	For the year ended 31st March, 2019
A	Cash flow from operating activities		
	Profit before tax	1,858	3,847
	Adjustments for:	-	-
	Finance costs	373	807
	Depreciation and amortisation expenses	1,213	2,205
	Interest on income tax	-	3
	Interest income	(376)	(510)
	Gain on disposal of investment property	-	-
	Gain on disposal of property, plant and equipment	-	(30)
	Gain on disposal of investments	-	24
	Gain on fair value of investments	(13)	(129)
	Dividend Income on Current investments	(0)	(31)
	Government Grant	(0)	(1)
	Unrealised exchange gain or loss on foreign currency translations	60	(43)
	Foreign currency translation reserve	(86)	(528)
	Amortisation of Foreign currency monetary item translation difference account	-	(60)
	Operating profit before working capital changes	3,029	5,553
	Movements in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	(620)	57
	Trade receivables	(337)	(111)
	Current loans	2	(17)
	Non-current loans	(17)	156
	Other current assets	(202)	(923)
	Other non current assets	(400)	(613)
	Other current financial assets	64	(354)
	Other non current financial assets	-	-
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	596	308
	Other current financial liabilities	322	150
	Other financial liabilities	2	(70)
	Other current liabilities	(17)	(251)
	Provisions	44	16
	Cash generated from operations	2,466	3,900
	Direct taxes paid (net)	(511)	(875)
	Net cash generated from operating activities (A)	1,955	3,025

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	Particulars	For the year ended 30th Sept, 2019	For the year ended 31st March, 2019
B	Cash flows from investing activities		
	Bank balances other than Cash & Cash equivalents	(2,445)	(1,651)
	Purchase of property, plant and equipment	(1,242)	(4,155)
	Purchase of Intangible Assets	-	-
	Proceeds from disposals of property, plant and equipment	-	92
	Purchase of non current investments	(553)	(393)
	Purchase of current investments	(0)	70
	Interest received	141	286
	Bank Deposits	(469)	(244)
	Dividend Income on Current investments	0	31
	Net cash (used in) investing activities (B)	(4,567)	(5,964)
C	Cash flow from financing activities		
	Proceeds from non current borrowings	3,609	2,270
	Proceeds from current borrowings	(451)	865
	Interest paid	(320)	(780)
	Dividend paid	(405)	(412)
	Net cash (used in) financing activities (C)	2,433	1,943
	NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	(180)	(995)
	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	630	1,627
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Balances with banks in current accounts and deposit accounts	429	605
	Cash on hand	23	25
	CASH AND CASH EQUIVALENTS AS PER NOTE 16	451	630

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Statement of cash flows for the period ended 30th September, 2019

(Rs in lakhs)

	Particulars	For the year ended 30th Sept, 2019	For the year ended 31st March, 2019
A	Cash flow from operating activities		
	Profit before tax	2,427	4,233
	Adjustments for:		
	Finance costs	342	727
	Depreciation and amortisation expenses	841	1,448
	Interest on income tax	-	3
	Interest income	(376)	(509)
	Gain on disposal of investment property	-	-
	Gain on disposal of property, plant and equipment	-	(30)
	Gain on disposal of investments	-	24
	Gain on fair value of investments	(13)	(129)
	Dividend Income on Current investments	(0)	(31)
	Dividend Income from Subsidiary	(430)	(427)
	Government Grant	(0)	(1)
	Unrealised exchange gain or loss on foreign currency translations	111	(534)
	Amortisation of Foreign currency monetary item translation difference	(0)	(60)
	Operating profit before working capital changes	2,901	4,714
	Movements in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Trade receivables	(344)	(2,174)
	Inventories	(862)	330
	Current loans	(3)	(8)
	Non-current loans	(0)	67
	Other non current assets	(169)	(149)
	Other current assets	(202)	(912)
	Other current financial assets	64	(354)
	Other non current financial assets	-	-
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	545	363
	Other current financial liabilities	323	150
	Other current liabilities	(31)	44
	Provisions	44	15
	Cash generated from operations	2,266	2,085
	Direct taxes paid (net)	(512)	(849)
	Net cash generated from operating activities (A)	1,753	1,236

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	Particulars	For the year ended 30th Sept, 2019	For the year ended 31st March, 2019
B	Cash flows from investing activities		
	Bank balances other than Cash & Cash equivalents	(2,445)	(1,651)
	Purchase of property, plant and equipment	(1,185)	(4,155)
	Purchase of Intangible Assets	-	-
	Proceeds from disposals of property, plant and equipment	-	92
	Purchase of non current investments	(414)	(16)
	Purchase of current investments	(0)	70
	Loans to Subsidiaries	0	(0)
	Interest received	141	285
	Bank Deposits	(469)	(244)
	Dividend Income on Current investments	0	31
	Dividend Income from Subsidiary	430	427
	Net cash (used in) investing activities (B)	(3,941)	(5,160)
C	Cash flow from financing activities		
	Proceeds from non current borrowings	3,258	2,009
	Proceeds from current borrowings	(449)	2,165
	Interest paid	(289)	(700)
	Dividend paid	(416)	(420)
	Net cash (used in) financing activities (C)	2,104	3,055
D	NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]	(81)	(868)
	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	411	1,280
	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	Balances with banks in current accounts and deposit accounts	309	388
	Cash on hand	21	23
	CASH AND CASH EQUIVALENTS AS PER NOTE 16	330	411

For Sarla Performance Fibers Limited

Krisha

Krishna M. Jhunjhunwala
Director (DIN: 00097175)

Place : Mumbai.

Dated : 9th November 2019

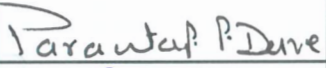
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Statement on Impact of Audit Qualifications (for Audit report with modified opinion) submitted along-Quarterly Results - Consolidated

Statement on Impact of Audit Qualifications for the Quarter & Period ended September 30, 2019 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total Income	16,751	16,751
	2	Total Expenditure	14,893	14,893
	3	Net Profit/(Loss)	1,858	1,858
	4	Earnings Per Share	2.20	2.20
	5	Total Assets	66,938	66,938
	6	Total Liabilities	36,398	36,398
	7	Net Worth	30,540	30,540
	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:- Sarlalex, Inc., the wholly owned subsidiary having total assets of Rs.15,277 lakhs has suspended manufacturing operations since December, 2017 and has a negative net worth as on 30th September 2019. 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 for these assets during the year, we are unable to comment on the impact of the said impairment, if any, on consolidated annual financial results.</p>				
b. Type of Audit Qualification : Qualified Opinion				
c. Frequency of qualification: Repeat				
d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: No				
e. For Audit Qualification(s) where the impact is not quantified by the auditor:				
(i) Management's estimation on the impact of audit qualification:				
(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 Sarlalex, Inc. Regarding the exposure to the Wholly owned Subsidiary Sarlalex, Inc, the management is confident that with the recent trade sanctions being imposed in the US, the operations of the subsidiary will be profitable. The management is also monitoring the situation on a continuous basis and is confident that there would no need for an impairment at this stage.				
(iii) Auditors' Comments on (i) or (ii) above:- None				
III. Signatories:				
• CEO/Managing Director				
• CFO				
• Audit Committee Chairman				
• Statutory Auditor				
Place: Mumbai				
Date: 9th November, 2019				

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 & Period September 30, 2019 (See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016)				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total Income	16,501	16,701
	2	Total Expenditure	14,074	14,074
	3	Net Profit/(Loss)	2,427	2,627
	4	Earnings Per Share	2.90	3.13
	5	Total Assets	60,697	60,897
	6	Total Liabilities	26,557	26,557
	7	Net Worth	34,140	34,340
	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:- i) As on 30th September, 2019, the company has an exposure to its Wholly owned Subsidiary 'Sarlaflex, Inc.' of Rs.596 lakhs towards investment in equity and towards unsecured loan of Rs.7,809 lakhs. The Company also has indirect exposure in Sarlaflex, Inc. by way of loans amounting to Rs. 6,068 lakhs through its wholly owned subsidiary, Sarla Overseas Holdings Limited. Sarlaflex, Inc has suspended manufacturing operations since December, 2017 and has a negative net worth as on 30th September 2019. 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 standalone annual financial results.</p> <p>ii) The company has not restated loans given to its subsidiary Sarlaflex, Inc to its presentation currency which is not in compliance with provisions of Ind AS 21 'The Effects of Changes in Foreign Currency Rates', resulting into understatement of loans and advances by Rs. 199.94 lakhs, profits for the quarter and period by Rs. 199.94 lakhs, with corresponding effect on retained earnings.</p>				
b. Type of Audit Qualification : Qualified Opinion				
c. Frequency of qualification: Repeat				
<p>d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The auditors have in their report on the standalone and consolidated results, Qualified their opinion in respect of not testing for impairment of investments/assets of the company's Wholly owned Subsidiary Sarlaflex, Inc. Regarding the exposure to the Wholly owned Subsidiary Sarlaflex, Inc, the management is confident that with the recent trade sanctions being imposed in the US, the operations of the subsidiary will be profitable. The management is also monitoring the situation on a continuous basis and is confident that there would no need for an impairment at this stage and also the restatement of loans advanced to subsidiary in presentation currency shall be reviewed at the year end.</p>				
e. For Audit Qualification(s) where the impact is not quantified by the auditor:				
(i) Management's estimation on the impact of audit qualification:				
(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, Qualified their opinion in respect of not testing for impairment of investments/assets of the company's Wholly owned Subsidiary Sarlaflex, Inc. Regarding the exposure to the Wholly owned Subsidiary Sarlaflex, Inc, the management is confident that with the recent trade sanctions being imposed in the US, the operations of the subsidiary will be profitable. The management is also monitoring the situation on a continuous basis and is confident that there would no need for an impairment at this stage.				
(iii) Auditors' Comments on (i) or (ii) above:- None				
III. Signatories:				
	CEO/Managing Director			
	CFO			
	Audit Committee Chairman			
	Statutory Auditor			
Place: Mumbai				
Date: 9th November, 2019				