

**Sarla Performance Fibers Ltd.**

304, Arcadia, 195, Nariman Point, Mumbai 400021  
(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

25<sup>th</sup> July, 2020

SPFL / 2020-2021

**BSE Limited**

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

**Security Code: 526885**

**National Stock Exchange of India Limited**

Exchange Plaza, 5<sup>th</sup> Floor, Bandra Kurla  
Complex, Bandra (East),  
Mumbai – 400051

**Symbol: SARLAPOLY**

Dear Sir/ Madam,

**Sub: Revision in Standalone and Consolidated Un-audited Financial Result of the  
Company submitted for the quarter ended 30<sup>th</sup> June, 2020**

This is with reference to our letter bearing number SPFL/2020-2021 dated 24<sup>th</sup> July, 2020 submitted for the outcome of Board Meeting of the Company held on 24<sup>th</sup> July, 2020.

There was some technical error in Excel file, hence we are submitted herewith revised Un-audited Financial results of the Company on Standalone and Consolidated basis for the quarter ended 30<sup>th</sup> June, 2020. This is to confirm that due to such revision there is no impact on the revenue and profit of the Company.

We request you to accept the above changes in the Standalone and Consolidated Un-audited financial Result of the Company for the quarter ended 30<sup>th</sup> June, 2020.

We are enclosing herewith the Followings:

1. The Un-audited Financial Results of the Company on Standalone and Consolidated basis for the quarter ended 30<sup>th</sup> June, 2020 along with Limited Review Report.
2. The Statement of Impact of Auditor Qualification for Un-audited Financial Results on Standalone and Consolidated.

Thanking you.

Yours faithfully,

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 the Quarterly Unaudited Quarterly Consolidated 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 Consolidated Financial Results of Sarla Performance Fibers Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended 30<sup>th</sup> June, 2020, together with the notes thereon attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), ('Listing Regulations').
2. This Statement which is the responsibility of the Holding Company's Management and approved by the Holding Company'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') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue 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 is limited primarily to inquiries of Holding Company personnel and analytical procedures applied to financial data and thus provides less assurance than 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 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.15,993 lakhs has suspended manufacturing operations since December, 2017 and has a negative net worth as on 30<sup>th</sup> June, 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 of the said impairment, if any, on consolidated financial results.

Our report for previous quarter 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 Act 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 Listing 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 year ended 30<sup>th</sup> June, 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.

Our opinion is not modified in respect of this matter.



For C N K & Associates LLP

Chartered Accountants

Firm Registration No. 101961W/W-100036



Himanshu Kishnadwala

Partner

Membership No. 37391

UDIN: 20037391AAAADU9785



Mumbai

Date: 24<sup>th</sup> 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.

*AW*



**Independent Auditor's Review Report on the Quarterly Unaudited 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

**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 30<sup>th</sup> June, 2020 (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), ('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') read with relevant rules issued thereunder 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:  
As on 30<sup>th</sup> June, 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. 6,804 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 30<sup>th</sup> June, 2020. 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 the previous quarter was also modified on above matters.

5. Based on our review conducted as above, except for the possible effect of the matters 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 recognition and measurement principles laid down in aforesaid Indian Accounting Standards ('Ind AS'), prescribed under Section 133 of the Act read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 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



Himanshu Kishnadwala

Partner

Membership No. 37391

UDIN: 20037391AAAADT5750



Place: Mumbai

Date: 24<sup>th</sup> July, 2020

**SARLA PERFORMANCE FIBERS LTD**

CIN : L31909DN1993PLC000056

Regd. Office :- Survey No. 59/1/4, Amla Piparia Industrial Estate, Silvassa - 396 230 (U.T. of Dadra & Nagar Haveli)

Tel. 0260-3290467, Fax : 0260-2631356, E-mail : silvassa@sarlafibers.com, Website : www.sarlafibers.com

**STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2020**

	PARTICULARS	STANDALONE				CONSOLIDATED			
		Quarter Ended		Year Ended		Quarter Ended		Year Ended	
		30-Jun-20 UNAUDITED	31-Mar-20 AUDITED	30-Jun-19 UNAUDITED	31-Mar-20 AUDITED	30-Jun-20 UNAUDITED	31-Mar-20 AUDITED	30-Jun-19 UNAUDITED	31-Mar-20 AUDITED
	<b>Income</b>								
1	Revenue From Operations	2,600	6,698	7,400	29,832	2,495	7,129	7,705	31,094
2	Other Income	239	421	255	1,804	340	520	349	1,754
3	<b>Total Income (1+2)</b>	<b>2,839</b>	<b>7,120</b>	<b>7,656</b>	<b>31,636</b>	<b>2,835</b>	<b>7,650</b>	<b>8,053</b>	<b>32,848</b>
4	<b>Expenses:</b>								
a)	Cost of raw material consumed	1,038	3,021	3,711	14,333	1,042	3,016	3,737	14,379
b)	Purchases of Stock-in-trade	-	-	-	-	-	-	-	-
c)	Changes in inventories of finished goods, work in progress and stock in trade	(344)	49	(38)	(470)	(562)	220	144	(54)
d)	Employee benefit expenses	282	330	314	1,346	321	371	353	1,494
e)	Finance costs	176	233	167	963	193	250	213	1,058
f)	Depreciation and amortisation expense	437	490	405	1,767	638	682	590	2,520
g)	Other expenses	1,142	2,466	2,385	10,010	1,163	2,617	2,423	10,294
	<b>Total expenses (a to g)</b>	<b>2,731</b>	<b>6,589</b>	<b>6,943</b>	<b>27,950</b>	<b>2,795</b>	<b>7,156</b>	<b>7,459</b>	<b>29,691</b>
5	<b>Profit before Tax (3-4)</b>	<b>108</b>	<b>530</b>	<b>713</b>	<b>3,686</b>	<b>40</b>	<b>494</b>	<b>594</b>	<b>3,157</b>
6	Tax Expenses - Current Tax	4	179	210	1,031	4	194	210	1,046
	- Deferred Tax	18	(149)	(718)	(799)	18	(149)	(719)	(799)
	- Adjustments for earlier years	-	-	-	-	-	-	-	-
7	<b>Profit after tax (5-6)</b>	<b>86</b>	<b>500</b>	<b>1,221</b>	<b>3,454</b>	<b>18</b>	<b>448</b>	<b>1,103</b>	<b>2,911</b>
8	<b>Other Comprehensive Income</b>								
a)	(i) Items that will not be reclassified to profit or loss	5	32	(4)	21	5	32	(4)	21
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(2)	(9)	1	(6)	(2)	(9)	1	(6)
b)	(i) Items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	<b>Total Other Comprehensive Income</b>	<b>4</b>	<b>23</b>	<b>(2)</b>	<b>15</b>	<b>19</b>	<b>220</b>	<b>11</b>	<b>127</b>
9	<b>Total Comprehensive Income (7+8)</b>	<b>90</b>	<b>522</b>	<b>1,219</b>	<b>3,469</b>	<b>37</b>	<b>668</b>	<b>1,114</b>	<b>3,038</b>
10	<b>Profit attributable to:</b>								
	Owners of the company	86	500	1,221	3,454	18	491	1,100	2,932
	Non controlling Interest	-	-	-	-	0	(43)	4	(21)
11	<b>Other Comprehensive Income attributable to</b>								
	Owners of the company	4	23	(2)	15	19	218	11	124
	Non controlling Interest	-	-	-	-	(0)	2	0	3
12	<b>Total Comprehensive Income attributable to</b>								
	Owners of the company	90	522	1,219	3,469	37	709	1,111	3,056
	Non controlling Interest	-	-	-	-	(0)	(41)	4	(18)
13	Paid-Up Equity Share Capital	835	835	835	835	835	835	835	835
	(Face Value Of Share - Re.1/- Each)								
14	Reserves excluding Revaluation Reserves (as per balance sheet)	-	-	-	34,374	-	-	-	30,985
15	Earnings Per Share (EPS)								
	Basic (in Rs)	0.10	0.60	1.46	4.14	0.02	0.59	1.32	3.51
	Diluted (in Rs)	0.10	0.60	1.46	4.14	0.02	0.59	1.32	3.51



**NOTES :**

- 1 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 Sarflex, Inc. The management is exploring all the options to resolve the matter and hopeful in coming months the decision would be made.
- 2 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.
- 3 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.
- 4 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	
	30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20	30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
<b>1. Segment Revenues (Net)</b>	<b>UNAUDITED</b>	<b>AUDITED</b>	<b>UNAUDITED</b>	<b>AUDITED</b>	<b>UNAUDITED</b>	<b>AUDITED</b>	<b>UNAUDITED</b>	<b>AUDITED</b>
(a). YARN	2,428	6,608	7,148	29,081	2,323	7,039	7,452	30,344
(b). WIND POWER	182	112	276	858	182	112	276	858
Less: Intercompany	10	21	24	107	10	21	24	107
<b>Net Sales/Income From Operations</b>	<b>2,600</b>	<b>6,698</b>	<b>7,400</b>	<b>29,832</b>	<b>2,495</b>	<b>7,129</b>	<b>7,705</b>	<b>31,094</b>
<b>2. Segment Results</b>								
(a). YARN	360	1,169	1,174	5,942	308	1,148	1,102	5,508
(b). WIND POWER	72	20	133	430	72	20	133	430
Less : Finance cost (Unallocable)	176	233	167	963	193	250	213	1,058
Less : Admin cost (Unallocable)	148	425	428	1,722	148	425	428	1,722
<b>Total Profit Before Tax</b>	<b>108</b>	<b>530</b>	<b>713</b>	<b>3,686</b>	<b>40</b>	<b>494</b>	<b>594</b>	<b>3,157</b>
<b>3. Segment Assets</b>								
(a). YARN	46,213	49,264	46,780	49,264	53,130	56,214	53,088	56,213
(b). WIND POWER	8,100	8,034	8,266	8,034	8,100	8,034	8,266	8,034
(c). UNALLOCATED	1,643	1,605	543	1,605	1,643	1,605	543	1,605
<b>Total</b>	<b>55,955</b>	<b>58,903</b>	<b>55,589</b>	<b>58,903</b>	<b>62,872</b>	<b>65,853</b>	<b>61,896</b>	<b>65,853</b>
<b>4. Segment Liabilities</b>								
(a). YARN	16,801	19,858	18,376	19,858	27,158	30,190	27,743	30,190
(b). WIND POWER	3,836	3,836	3,852	3,836	3,836	3,836	3,852	3,836
(c). UNALLOCATED	-	-	-	-	-	-	-	-
<b>Total</b>	<b>20,638</b>	<b>23,694</b>	<b>22,227</b>	<b>23,694</b>	<b>30,995</b>	<b>34,026</b>	<b>31,595</b>	<b>34,026</b>
<b>5. Capital Employed</b>								
(a). YARN	29,412	29,406	28,404	29,406	25,971	26,025	25,345	26,024
(b). WIND POWER	4,263	4,198	4,414	4,198	4,263	4,198	4,414	4,198
(c). UNALLOCATED	1,643	1,605	543	1,605	1,643	1,605	543	1,605
<b>Total</b>	<b>35,318</b>	<b>35,209</b>	<b>33,361</b>	<b>35,209</b>	<b>31,877</b>	<b>31,828</b>	<b>30,302</b>	<b>31,827</b>

(Rs in lakhs)

For Sarla Performance Fibers Limited



Krishna M. Jhunjhunwala  
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@sarlafibers.com, Website : www.sarlafibers.com

**Statement of unaudited Financial Results for quarter ended June 30, 2020**

Sr No.	Particulars	Standalone		Year ended Audited 31-Mar-2020	Consolidated		Year ended Audited 31-Mar-2020
		Quarter ended Unaudited 30-Jun-2020	Quarter ended Unaudited 30-Jun-2019		Quarter ended Unaudited 30-Jun-2020	Quarter ended Unaudited 30-Jun-2019	
1	Total Income From Operations	2,839	7,120	31,636	2,835	7,650	32,848
2	Net Profit for the period (before tax, exceptional and/or extraordinary item)	108	530	3,686	40	494	3,157
3	Net Profit for the period before tax (after exceptional and/or extraordinary item)	108	530	3,686	40	494	3,157
4	Net Profit for the period after tax (after exception and/or extraordinary item)	86	500	3,454	18	448	2,911
5	Total Comprehensive Income for the period [Comprising profit / (loss) for the period (after tax) and other comprehensive income (after tax)]	90	522	3,469	37	668	3,038
6	Equity Share Capital (Face Value of Re. 1/-each)	835	835	835	835	835	835
7	Reserves excluding Revaluation Reserves (as per balance sheet)			31,307			28,326
8	Earnings Per Share (Face Value of Re.1 per Share) (Not Annualised) Basic and Diluted (In Rs.)	0.10	0.60	4.14	0.02	0.59	3.51

**Notes:**

1 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.

2 The above is an extract of the financial results for the quarter ended 30th June, 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.sarlafibers.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-Quarterly Results - Consolidated

Statement on Impact of Audit Qualifications for the Quarter ended June 30, 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	2,835	2,835
	2	Total Expenditure	2,795	2,795
	3	Net Profit/(Loss)	18	18
	4	Earnings Per Share	0.02	0.02
	5	Total Assets	62,872	62,872
	6	Total Liabilities	30,995	30,995
	7	Net Worth	31,877	31,877
	8	Any other financial item(s) (as felt appropriate by the management)		
II. Audit Qualification (each audit qualification separately):				
	a. Details of Audit Qualification:- Sarlaflex, Inc., the wholly owned subsidiary having total assets of Rs.15,993 lakhs has suspended manufacturing operations since December, 2017 and has a negative net worth as on 30th June, 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 of the said impairment, if any, on consolidated financial results.			
	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: Not applicable			
	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 Sarlaflex, Inc. The management is exploring all the options to resolve the matter and hopeful in coming months the decision would be made.			



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

III. Signatories:

• CEO/Managing Director

*K. Singh*

• CFO

*S. Singh*

• Audit Committee Chairman

*P. D. Singh*

• Statutory Auditor

*A. K. Singh*







Place: Mumbai

Date: 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 June 30, 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	2,839	2,839
	2	Total Expenditure	2,730	2,730
	3	Net Profit/(Loss)	86	86
	4	Earnings Per Share	0.10	0.10
	5	Total Assets	55,955	55,955
	6	Total Liabilities	20,638	20,638
	7	Net Worth	35,318	35,318
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II. Audit Qualification (each audit qualification separately):				
	a. Details of Audit Qualification:- As on 30th June, 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. 6,804 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 June, 2020. 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.			
	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: Not applicable.			
	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 Sarlaflex, Inc. The management is exploring all the options to resolve the matter and hopeful in coming months the decision would be made.			



(iii) Auditors' Comments on (i) or (ii) above:- None	
III. Signatories:	
• CEO/Managing Director	
• CFO	
• Audit Committee Chairman	
• Statutory Auditor	
Place: Mumbai Date: 24th July, 2020	

