

Sarla Performance Fibers Ltd.

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CIN : L31909DN1993PLC000056



www.sarlafibers.com

04th February, 2020

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

Security Code: 526885

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor,

Bandra Kurla Complex,

Bandra (East),

Mumbai - 400051

Fax No.: 2659 8348 / 2659 8237

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, we enclose the Statement of Unaudited Financial Results on Standalone and Consolidated basis for the third quarter ended 31st December, 2019 duly reviewed by the Audit Committee and approved by the Board of Directors of the Company, at its meeting held today.

The proceedings of the meeting of the Board commenced at 12:00 p.m. and concluded at 3:30 p.m.

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 third quarter ended on 31st December, 2019 as required under Regulation 33 of the Listing Regulations.

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,

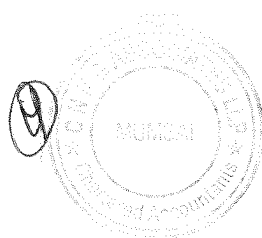
U.T. Dadra & Nagar Haveli.

Independent Auditor's Review Report On 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 31st December, 2019 and year to date from 1st April, 2019 to 31st December, 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 31st December 2018 and the corresponding period from 1st April, 2018 to 31st December, 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.

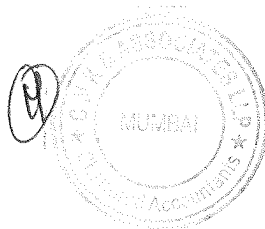
4. The Statement includes the results of the subsidiaries as mentioned in Annexure to the Report.

5. Basis for Qualified opinion:

Sarlaflex, Inc., the wholly owned subsidiary having total assets of Rs.15,260 lakhs has suspended manufacturing operations since December, 2017 and has a negative net worth as on 31st December 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 31st December, 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

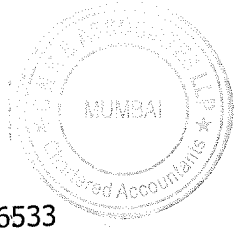
Partner

Membership No. 106533

UDIN: 20106533AAAAAG6472

Place: Mumbai

Date: 04th February, 2020



Annexure to the Limited Review Report:

Subsidiaries (held directly)

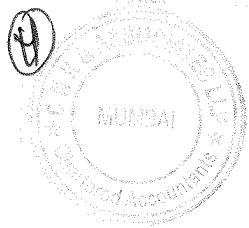
- a. Sarla Overseas Holding Limited
- b. Sarlaflex Inc

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.



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 31st December, 2019 and year to date from 1st April, 2019 to 31st December, 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 31st December, 2019, the Company has an exposure to its Wholly Owned Subsidiary 'Sarlaflex, Inc.' of Rs.597 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 unsecured loans amounting to Rs. 6,235 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 31st December 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. 266.71, resulting in understatement of profits for the quarter by Rs.66.73 Lakhs and for the period by Rs. 266.71 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: 20106533AAAAAF9500

Place: Mumbai

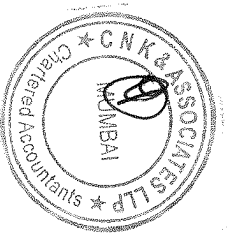
Date: 4th February, 2020



STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED AND NINE MONTH ENDED 31ST DECEMBER 2019

PARTICULARS	STANDALONE						CONSOLIDATED					
	Quarter Ended		Period Ended		Year Ended		Quarter Ended		Period Ended		Year Ended	
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Mar-19	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19	31-Dec-19
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	AUDITED
Income												
1 Revenue From Operations	7,672	8,060	7,941	23,133	23,340	31,632	8,010	8,250	8,120	23,964	23,967	32,430
2 Other Income	343	785	434	1,383	1,384	1,310	436	448	530	1,233	1,237	1,757
3 Total Income (1+2)	8,015	8,845	8,375	24,516	24,725	33,442	8,446	8,698	8,650	25,198	25,204	34,188
Expenses:												
4 a) Cost of raw material consumed	3,785	3,816	4,789	11,313	13,115	17,611	3,842	3,785	4,825	11,363	13,177	17,705
b) Purchases of Stock-in-trade	-	-	-	-	-	-	-	-	-	-	-	-
c) Changes in inventories of finished goods, work in progress and stock in trade	(511)	31	(461)	(519)	(234)	(265)	(517)	99	(283)	(274)	(329)	(517)
d) Employee benefit expenses	356	347	282	1,017	802	1,150	392	378	316	1,122	910	1,303
e) Finance costs	169	175	171	511	450	727	215	161	194	589	520	807
f) Depreciation and amortisation expense	435	436	361	1,276	1,051	1,448	625	623	556	1,888	1,617	2,205
g) Other expenses	3,053	2,325	2,089	7,763	6,550	8,537	3,084	2,389	2,113	7,895	6,734	8,837
Total expenses (a to g)	7,286	7,131	7,231	21,360	21,734	29,208	7,640	7,434	7,720	22,534	22,629	30,341
5 Profit before Tax (3-4)	729	1,714	1,144	3,156	2,991	4,233	806	1,264	930	2,664	2,576	3,847
6 Tax Expenses - Current Tax	156	487	230	852	844	961	156	487	230	852	844	971
- Deferred Tax	37	31	205	(650)	152	321	37	31	205	(651)	152	323
- Adjustments for earlier years	-	-	(9)	-	(0)	(0)	-	-	(0)	-	(0)	(0)
7 Profit after Tax (5-6)	536	1,196	710	2,954	1,995	2,951	613	746	496	2,463	1,580	2,553
8 Other Comprehensive Income												
a) (i) Items that will not be reclassified to profit or loss	(4)	(4)	(11)	(11)	(32)	(14)	(4)	(4)	(11)	(11)	(32)	(14)
(ii) Income tax relating to items that will not be reclassified to profit or loss	1	1	4	3	11	5	1	1	4	3	11	5
b) (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-	(65)	(99)	(54)	(150)	(201)	(189)
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	(2)	(3)	(7)	(7)	(29)	(9)	(67)	(101)	(61)	(158)	(222)	(198)
9 Total Comprehensive Income (7+8)	534	1,193	703	2,947	1,974	2,942	546	645	435	2,305	1,358	2,355
10 Profit attributable to:												
Owners of the company	536	1,196	710	2,954	1,995	2,951	607	735	484	2,441	1,557	2,536
Non controlling interest	-	-	-	-	-	-	7	11	12	22	23	17
11 Other Comprehensive Income attributable to												
Owners of the company	(2)	(3)	(7)	(7)	(29)	(9)	(68)	(102)	(58)	(159)	(220)	(198)
Non controlling interest	-	-	-	-	-	-	1	0	(3)	1	(2)	0
12 Total Comprehensive Income attributable to												
Owners of the company	534	1,193	703	2,947	1,974	2,942	538	633	426	2,282	1,337	2,338
Non controlling interest	-	-	-	-	-	-	7	12	9	23	21	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)	0.84	1.43	0.85	3.54	2.39	3.53	0.73	0.88	0.58	2.92	1.86	3.04
Diluted (in Rs)	0.64	1.43	0.85	3.54	2.39	3.53	0.73	0.88	0.58	2.92	1.86	3.04

(Rs. in lakhs except EPS)



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 Sarfatek, Inc. Regarding the exposure to the wholly owned subsidiary Sarfatek, 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

2 The Audit Committee has reviewed these results and the Board of Directors have approved the above results at their meeting held on 4th February, 2020.

3 Effective from April, 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 31st December 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 31st December 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:

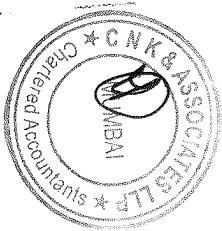
Particulars	STANDALONE						CONSOLIDATED					
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	Year Ended	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	Year Ended
	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	UNAUDITED	AUDITED
1. Segment Revenues (Net)												
(a). YARN	7,561	7,764	7,871	22,474	22,748	30,994	7,898	7,954	8,050	23,305	23,375	31,743
(b). WIND POWER	130	340	90	746	686	809	130	340	90	746	686	809
Less: Intercompany	19	44	20	87	94	122	19	44	20	87	94	122
Net Sales/Income from Operations	7,672	8,060	7,941	23,133	23,340	31,632	8,010	8,250	8,120	23,964	23,967	32,430
2. Segment Results												
(a). YARN	1,262	2,118	1,739	4,554	4,365	6,276	1,385	1,653	1,548	4,140	4,022	5,970
(b). WIND POWER	73	204	(1)	410	311	345	73	204	(1)	410	311	345
Less : Finance cost (Unallocable)	169	175	171	511	450	727	215	161	194	589	520	807
Less : Admin cost (Unallocable)	437	432	422	1,297	1,235	1,661	437	432	422	1,297	1,236	1,661
Total Profit Before Tax	729	1,714	1,144	3,156	2,991	4,233	806	1,264	930	2,664	2,576	3,847
3. Segment Assets												
(a). YARN	50,018	50,642	44,368	50,018	44,367	46,038	56,438	56,884	53,714	56,438	53,714	52,458
(b). WIND POWER	8,172	8,487	8,489	8,172	8,489	8,212	8,172	8,487	8,489	8,172	8,489	8,212
(c). UNALLOCATED	1,599	1,567	1,084	1,599	1,084	1,140	1,599	1,084	1,084	1,599	1,084	1,140
Total	59,790	60,697	53,941	59,790	53,941	55,390	66,210	66,358	62,787	66,210	62,787	61,610
4. Segment Liabilities												
(a). YARN	21,276	22,702	18,826	21,276	18,826	19,345	31,287	32,542	30,296	31,287	30,296	28,722
(b). WIND POWER	3,840	3,855	3,900	3,840	3,900	3,902	3,840	3,855	3,900	3,840	3,900	3,902
(c). UNALLOCATED	-	-	-	-	-	-	-	-	-	-	-	-
Total	25,116	26,557	22,725	25,116	22,725	23,247	35,127	36,397	34,195	35,127	34,195	32,624
5. Capital Employed												
(a). YARN	28,742	27,940	25,541	28,742	25,541	26,692	25,151	24,342	22,918	25,151	22,918	23,736
(b). WIND POWER	4,333	4,632	4,590	4,333	4,590	4,310	4,333	4,632	4,590	4,333	4,590	4,310
(c). UNALLOCATED	1,599	1,567	1,084	1,599	1,084	1,140	1,599	1,084	1,084	1,599	1,084	1,140
Total	34,674	34,140	31,215	34,674	31,215	32,142	31,083	30,541	28,592	31,083	28,592	29,186

(Rs in lakhs)

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

For Sarfa Performance Fibers Limited

Krishna M. Jhunjhunwala
Director (DIN: 00097175)
Place : Mumbai.
Dated : 4th February 2020



SARLA PERFORMANCE FIBERS LTD
CIN : 131909DN1993PLC000056
Regd. Office :- Survey No. 59/1/4, Anil Piplaria Industrial Estate, Silvassa - 396 230 (U.T. of Dadra & Nagar Haveli)
Tel: 0260-3290467, Fax: 0260-2631356, E-mail: silvassa@sarlibers.com, Website: www.sarlibers.com

Statement of unaudited Financial Results for quarter ended & half year ended December 31, 2019

Sr No.	Particulars	Standalone						Consolidated					
		Quarter ended Unaudited 31-Dec-2019	Quarter ended Unaudited 30-Sep-2019	Quarter ended Unaudited 31-Dec-2018	Period ended Unaudited 31-Dec-2019	Period ended Unaudited 31-Dec-2018	Year ended Audited 31-Mar-2019	Quarter ended Unaudited 31-Dec-2019	Quarter ended Unaudited 30-Sep-2019	Quarter ended Unaudited 31-Dec-2018	Period ended Unaudited 31-Dec-2019	Period ended Unaudited 31-Dec-2018	Year ended Audited 31-Mar-2019
1	Total Income From Operations	8,015	8,845	8,375	24,516	24,725	33,442	8,446	8,698	8,650	25,198	25,204	34,188
2	Net Profit for the period (before tax, exceptional and/or extraordinary item)	729	1,714	1,144	3,156	2,991	4,233	806	1,264	930	2,664	2,576	3,847
3	Net Profit for the period before tax (after exceptional and/or extraordinary item)	729	1,714	1,144	3,156	2,991	4,233	806	1,264	930	2,664	2,576	3,847
4	Net Profit for the period after tax (after exception and/or extraordinary item)	536	1,196	710	2,954	1,995	2,951	613	746	496	2,463	1,580	2,553
5	Total Comprehensive Income for the period (Comprising profit / (loss) for the period (after tax) and other comprehensive income (after tax))	534	1,193	703	2,947	1,974	2,942	546	645	435	2,305	1,358	2,355
6	Equity Share Capital (Face Value of Re. 1/- each)	835	835	835	835	835	835	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.)	0.64	1.43	0.85	3.54	2.39	3.53	0.73	0.88	0.58	2.92	1.86	3.04

(Rs in lakhs)

NOTES:

1. The above is an extract of the financial results for the quarter ended and half year ended 31st December, 2019 which have been reviewed by the Audit Committee and approved by Board of Directors in their meeting held on 4th February, 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.sarlibers.com, www.bseindia.com and www.nseindia.com

Krishna M. Jhaunpura
Director (DIN: 00097175)

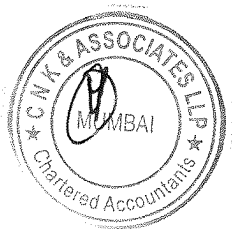
Place: Mumbai


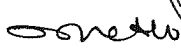
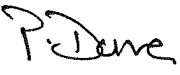

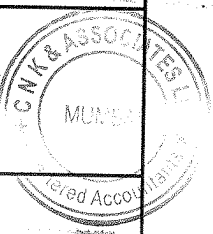
Dated : 4th February 2020



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 December 31, 2019 [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	24,516	24,783
	2	Total Expenditure	21,360	21,360
	3	Net Profit/(Loss)	2,954	3,221
	4	Earnings Per Share	3.54	3.86
	5	Total Assets	59,790	60,057
	6	Total Liabilities	25,116	25,116
	7	Net Worth	34,674	34,940
	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 31st December, 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. 6,235 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 31st December 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 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. 266.71 lakhs, profits for the quarter and period by Rs. 66.73 & Rs. 266.71 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:			
	<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, 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.</p>			



(iii) Auditors' Comments on (i) or (ii) above:- None	
III. Signatories:	
CEO/Managing Director	
CFO	
Audit Committee Chairman	
Statutory Auditor	
Place: Mumbai	
Date: 4th February, 2020	