



M/S. SARLA PERFORMANCE FIBERS LTD.

Limited review report to the board of director on unaudited financial results for the Six month period ended 30 September 2016

We have reviewed the accompanying statement of unaudited standalone and consolidated financial results of **M/S. SARLA PERFORMANCE FIBERS LTD** for the quarter and half year ended 30th September 2016 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors / Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Engagements to "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 financial statements are free of Material misstatement. A review is limited primarily to inquiries of company personnel & analytical procedures applied to financial data & thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

The financial statements of the subsidiary company M/s. Sarla Flex INC for the half year ended 30th September 2016 whose financial statements reflect turnover of Rs.2,183.18 Lacs and net profit/Loss after tax of Rs.-399.72 Lacs included in the statement has been reviewed by other auditors and provided by management to us.

The financial statements of the subsidiary company M/s. Sarla Overseas Holdings Ltd. (SOHL) includes financial statements of its subsidiary company M/s. Sarla Europe Lda for the half year ended 30th September 2016 which have not been reviewed by us and whose financial statements reflect turnover of Rs.126.99 Lacs and net profit after tax of Rs. 34.29 Lacs for the quarter and period ended 30th September 2016. We have relied on financial statements certified by the Management of this company for the purpose of our Limited Review on the *Consolidated Financial Statements*. *The consolidated results for the half year ended 30th September 2016 does not include results of Sarla Tekstil Filament Sanayi, Turkey, a joint venture of SOHL as the same has not been received.*





SUNDARLAL, DESAI & KANODIA
CHARTERED ACCOUNTANTS

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Further, SOHL has commercial dispute with its JV partners in M/s Savitex S.A. De C.V. and M/s. MRK S.A. De C.V., resulting into the matter being referred to the appropriate judicial authority in Honduras and the matter being subjudice, the financial performance of the both the JV's are not taken into consideration while preparing Consolidated Financial Statements.

Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting Standards, specified under section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014 and other recognized accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For: Sundarlal, Desai & Kanodia
Chartered Accountants
Firm Reg. No. – 110560W

H. P. Kanodia
Partner
Mem. No. 40617

Place : Mumbai
Date : 27 October, 2016

