

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

24th July, 2020

SPFL / 2020-2021

BSE Limited

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

Security Code: 526885

National Stock Exchange of India Limited

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

Symbol: SARLAPOLY

Dear Sir / Madam,

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

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

1. The Standalone and Consolidated un-audited Financial Results of the Company along with Limited Review Report for the Quarter ended 30th June, 2020.

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

1. The Un-audited Financial Results on Standalone and Consolidated of the Company basis for the quarter ended 30th June, 2020 along with Limited Review Report issued by CNK & Associates LLP, Chartered Accountant, Statutory Auditors of the Company attached as "**Annexure A**".
2. The Statement of Impact of Auditor Qualification for Standalone and Consolidated as "**Annexure B**".

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

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



Regd. Off. & Works 1:
Survey No. 59/1/4,
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.

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

Thanking you.

Yours faithfully,

For Sarla Performance Fibers Limited

Mahendra Sheth
Chief Financial Officer and Company Secretary



Encl.: As above

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Plot No. 11 & 12, ,
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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 30th 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 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.

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 30th 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: 24th July, 2020

Annexure to the Limited Review Report:

Subsidiaries (held directly)

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

Subsidiaries (held indirectly)

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

Joint Ventures (held indirectly)

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

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 30th 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 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.

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: 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 THE QUARTER ENDED 30TH JUNE 2020

		STANDALONE				CONSOLIDATED			
		Quarter Ended		Year Ended		Quarter Ended		Year Ended	
		30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-19	30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
		UNAUDITED	AUDITED	UNAUDITED	AUDITED	UNAUDITED	AUDITED	UNAUDITED	AUDITED
		(Rs. in lakhs except EPS)							
		PARTICULARS							
		Income							
1	Revenue From Operations	2,600	6,698	7,400	29,832	2,495	7,129	7,705	31,093
2	Other Income	239	428	255	1,804	340	527	349	1,754
3	Total Income (1+2)	2,839	7,127	7,656	31,636	2,835	7,657	8,053	32,848
		Expenses:							
4	Cost of raw material consumed	1,038	3,411	3,711	14,333	1,042	3,406	3,737	14,378
		Purchases of Stock-in-trade							
		Changes in inventories of finished goods, work in progress and stock in trade							
		(344)	49	(38)	(470)	(562)	219	144	(54)
		d) Employee benefit expenses							
		282	330	314	1,346	321	371	353	1,493
		e) Finance costs							
		176	453	167	963	193	469	213	1,058
		f) Depreciation and amortisation expense							
		437	490	437	1,767	638	682	590	2,520
		Other expenses							
		1,142	1,852	2,385	10,010	1,163	2,003	2,423	10,293
		Total expenses (a to g)	2,731	6,943	27,950	2,795	7,150	7,459	29,690
5	Profit before Tax (3-4)	108	543	713	3,686	40	507	594	3,158
		Tax Expenses - Current Tax							
		4	181	210	1,031	4	196	210	1,046
		- Deferred Tax							
		18	(147)	(718)	(799)	18	(147)	(719)	(800)
		- Adjustments for earlier years							
		-	-	-	-	-	-	-	-
7	Profit after tax (5-6)	86	508	1,221	3,454	18	458	1,103	2,913
		Other Comprehensive Income							
8	(i) Items that will not be reclassified to profit or loss	5	32	(4)	21	5	32	(4)	21
		(2)	(9)	1	(6)	(2)	(9)	1	(6)
		(ii) Income tax relating to items that will not be reclassified to profit or loss							
		-	-	-	-	15	197	13	112
		(iii) Income tax relating to items that will be reclassified to profit or loss							
		-	-	-	-	-	-	-	-
9	Total Other Comprehensive Income	4	23	(2)	15	19	220	11	127
10	Total Comprehensive Income (7+8)	90	531	1,219	3,470	37	678	1,114	3,039
		Profit attributable to:							
		Owners of the company							
		86	508	1,221	3,454	18	501	1,100	2,935
		Non controlling interest							
		-	-	-	-	0	(43)	4	(21)
11	Other Comprehensive Income attributable to Owners of the company	4	23	(2)	15	19	218	11	124
		Non controlling interest							
		-	-	-	-	(0)	2	0	3
12	Total Comprehensive Income attributable to Owners of the company	90	531	1,219	3,470	37	718	1,111	3,058
		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]							
		Reserves excluding Revaluation Reserves (as per balance sheet)							
		-	-	-	34,375	-	-	-	30,984
15	Earnings Per Share (EPS)	0.10	0.61	1.46	4.14	0.02	0.60	1.32	3.51
		Basic (in Rs)							
		0.10	0.61	1.46	4.14	0.02	0.60	1.32	3.51
		Diluted (in Rs)							



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 Sarilflex, 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
1. Segment Revenues (Net)	UNAUDITED	AUDITED	UNAUDITED	AUDITED	UNAUDITED	AUDITED	UNAUDITED	AUDITED
(a). YARN	3,088	6,587	7,148	29,081	2,982	7,018	7,452	30,343
(b). WIND POWER	(467)	130	276	858	(467)	130	276	858
Less: Intercompany	21	19	24	107	21	19	24	107
Net Sales/Income From Operations	2,600	6,698	7,400	29,832	2,495	7,129	7,705	31,094
2. Segment Results								
(a). YARN	689	1,400	1,174	5,942	638	1,381	1,102	5,510
(b). WIND POWER	20	20	133	430	20	20	133	430
Less : Finance cost (Unallocable)	176	453	167	963	193	469	213	1,058
Less : Admin cost (Unallocable)	425	425	428	1,722	425	428	428	1,722
Total Profit Before Tax	108	543	713	3,686	40	507	594	3,159
3. Segment Assets								
(a). YARN	46,278	49,267	46,780	49,265	53,195	56,218	53,088	56,214
(b). WIND POWER	8,034	8,034	8,266	8,034	8,034	8,034	8,266	8,034
(c). UNALLOCATED	1,643	1,605	543	1,605	1,643	1,605	543	1,605
Total	55,955	58,906	55,589	58,903	62,872	65,857	61,896	65,854
4. Segment Liabilities								
(a). YARN	16,801	19,852	18,376	19,858	27,158	30,184	27,743	30,191
(b). WIND POWER	3,836	3,836	3,852	3,836	3,836	3,836	3,852	3,836
(c). UNALLOCATED	-	-	-	-	-	-	-	-
Total	20,638	23,689	22,227	23,695	30,995	34,021	31,595	34,028
5. Capital Employed								
(a). YARN	29,477	29,415	28,404	29,406	26,036	26,034	25,345	26,023
(b). WIND POWER	4,198	4,198	4,414	4,198	4,198	4,197	4,414	4,198
(c). UNALLOCATED	1,643	1,605	543	1,605	1,643	1,605	543	1,605
Total	35,318	35,217	33,361	35,209	31,877	31,836	30,302	31,826

For Sarla Performance Fibers Limited

Krishna M. Jhunjhunwala

Krishna M. Jhunjhunwala
Director (DIN: 00097175)

Place : Mumbai.

Dated : 24th July 2020



SARLA PERFORMANCE FIBERS LTD

CIN : L31909DN1993PLCO00056

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Statement of unadited Financial Results for quarter ended June 30, 2020

Sr No.	Particulars	Standalone			Consolidated		
		Quarter ended Unaudited 30-Jun-2020	Quarter ended Unaudited 30-Jun-2019	Year ended Audited 31-Mar-2020	Quarter ended Unaudited 30-Jun-2020	Quarter ended Unaudited 30-Jun-2019	Year ended Audited 31-Mar-2020
1	Total Income From Operations	2,839	7,127	31,636	2,835	8,053	32,848
2	Net Profit for the period (before tax, exceptional and/or extraordinary item)	108	543	3,686	40	594	3,158
3	Net Profit for the period before tax (after exceptional and/or extraordinary item)	108	543	3,686	40	594	3,158
4	Net Profit for the period after tax (after exception and/or extraordinary item)	86	508	3,454	18	1,103	2,913
5	Total Comprehensive Income for the period [Comprising profit/(loss) for the period (after tax) and other comprehensive income (after tax)]	90	531	3,470	37	1,114	3,039
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)			34,375			30,985
8	Earnings Per Share (Face Value of Re.1 per Share) (Not Annualised) Basic and Diluted (In Rs.)	0.10	0.61	4.14	0.02	1.32	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

Kingal

• CFO

sonesh

• Audit Committee Chairman

P. Dany

• Statutory Auditor

Akhmadwal



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	

