

**Date: May 28, 2025**

To,  
The Manager  
Listing Department  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001  
**Scrip Code: 526885**

The Manager,  
Listing Department,  
**National Stock Exchange of India Limited**  
Exchange Plaza, 5th Floor, Plot No. C/1,  
G Block, Bandra-Kurla Complex, Bandra (E),  
Mumbai – 400051  
**Symbol: SARLAPOLY**

**Subject: Submission of Annual Report for FY 2024-25 and Notice of 32<sup>nd</sup> Annual General Meeting.**

**Reference: Regulations 30, 34 and 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')**

Dear Sir/Madam,

Pursuant to Regulations 30, 34 and 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of Sarla Performance Fibers Limited ("the Company") for the Financial Year 2024-25, along with the Notice of the 32<sup>nd</sup> Annual General Meeting (AGM) scheduled to be held on Wednesday, June 25, 2025, at 11:00 a.m. (IST) through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in accordance with the applicable provisions of the Companies Act, 2013, and relevant circulars issued by the Ministry of Corporate Affairs and Securities Exchange Board of India.

The Notice of the 32<sup>nd</sup> AGM forms an integral part of the Annual Report for FY 2024-25. The Annual Report and the AGM Notice are being dispatched to the shareholders via electronic mode to their registered email addresses, in compliance with the Companies Act, 2013, and SEBI Listing Regulations.

In accordance with Regulation 36(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a letter has been dispatched to all those shareholders who have not registered their email addresses, providing the web-link with the exact path where the complete details of the Annual Report, including the Notice of the 32<sup>nd</sup> AGM, are available. Shareholders may request a hard copy of the Annual Report, which will be provided upon such request.

Further, the Annual Report for FY 2024-25 and the Notice of the 32<sup>nd</sup> AGM are available on the Company's website at [www.sarlafibers.com](http://www.sarlafibers.com) for reference.

Kindly take the same on record and oblige.

**Thanking you,  
For Sarla Performance Fibers Limited**

**Kapil Raj Yadav  
Company Secretary & Compliance Officer**


**Enclosures: Annual Report for FY 2024-25 including Notice of 32<sup>nd</sup> Annual General Meeting**

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

Works 3:  
Survey No. 213/P,  
Plot No. 11 & 12,  
Dadra-396 191,  
U.T. Dadra & Nagar Haveli

Vapi Works:  
Shed No. A1/48,  
100 Sheds Area,  
GIDC, Vapi-396 195  
(Gujarat)



**Every  
thread tells  
a story  
of strength.**

**ANNUAL REPORT 2024-25**



# ACROSS THE PAGES



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An electronic version of this Report is available at:

<https://www.sarlafibers.com/>



Scan this QR code to navigate Company-related information



CORPORATE INFORMATION

Managing Director

Mr. Krishna Madhusudan Jhunjunwala

Whole-time Director

Mr. Kanav Krishna Jhunjunwala

Executive Director

Ms. Neha Krishna Jhunjunwala

Non-Executive Independent Directors

Mr. Sachin Shashikant Abhyankar

Mr. Bharat K. Jhamvar

Mr. Paulo Manuel Ferreira Moura De Castro

Chief Financial Officer

Mr. Kayvanna Shah (appointed w.e.f. June 24, 2024)

Company Secretary & Compliance Officer

Mr. Kapil Raj Yadav (appointed w.e.f. April 25, 2025)

Auditors

CNK & Associates LLP (Statutory Auditors)  
CS Swati Gupta, Practicing Company Secretary  
(Secretarial Auditor)  
Kasina & Associates (Cost Auditors)

Bankers in India

Standard Chartered Bank

Citibank N.A.

DBS Bank India Limited

HDFC Bank

IndusInd Bank

PT Bank Maybank Indonesia Tbk

Bank Of Bahrain & Kuwait

Yes Bank

Overseas

Branch Banking and Trust Company

Citibank N.A.

Registered Office

Survey No. 59/1/4, Amli Piparia Industrial Estate,  
Silvassa - 396 230, U.T. of Dadra & Nagar Haveli

Corporate Office

304, Arcadia, 195, NCPA Marg, Nariman Point,  
Mumbai - 400 021

Share Transfer Agent

MUFG Intime India Private Limited (Formerly known  
as Link Intime India Private Limited) C 101, 1st Floor,  
247 Park, Lal Bahadur Shastri Marg, Vikhroli West,  
Mumbai-400083 Ph.: +91-22 - 49186000; Fax:  
49186060; Email: mumbai@in.mpms.mufg.com

Plant Locations

Sr. No.	Plant	Address
1.	Silvassa-Piparia	Survey No 66/1/55-A & 66/1/56-A, Village - Amli, Silvassa-396230, UT of Dadra and Nagar Haveli
2	Silvassa-Unit I	Survey No. 59/1/4, Amli Piparia Industrial Estate, Silvassa - 396 230, Union Territory of Dadra & Nagar Haveli.
3	Silvassa-Unit II	Survey No. 64/2/3/4, 58/1, 64/1/2, Amli Piparia Industrial Estate, Silvassa - 396 230, Union Territory of Dadra & Nagar Haveli
4	Silvassa-Unit III	Survey No. 61/1, 61/2, 62/5, 63/5, 63/7 Amli Piparia Industrial Estate, Silvassa - 396 230, Union Territory of Dadra & Nagar Haveli
5	Vapi	Shed No. A1/48, 100 Sheds Area, GIDC, Vapi - 396 195, Gujarat.
6	Dadra Plant	New Survey No-1513(Old Survey No. 359/2), Dadra - 396191 U.T. Dadra & Nagar Haveli
7	Dadra Plant	Survey No 213 P, Plot No. 11 & 12, Near Dadra Check Post, Dadra - 396 191, Union Territory of Dadra & Nagar Haveli

Forward-looking statements

The report contains information that includes forward-looking statements. These statements pertain to the Company's anticipated financial position, operational results, business plans, and potential opportunities. They are commonly recognised by words such as "believe," "plan," "anticipate," "estimate," "expect," "may," "will," or similar terms. These forward-looking statements are based on certain assumptions or foundations. We have selected these assumptions or foundations in good faith, believing them to be reasonably valid in significant aspects. Nevertheless, it's important to note that actual results, performances, or accomplishments might differ significantly from what is suggested or implied in these forward-looking statements. We want to emphasise that we are not obligated to constantly update or revise these forward-looking statements, regardless of whether new information, future events, or other factors emerge.

For more information, visit  
<https://www.sarlafibers.com/>





**MADHUSUDAN JHUNJHUNWALA**  
1941 - 2021

As we mark the fourth anniversary of the passing of Mr. Madhusudan Jhunjhunwala, our esteemed Founder and former Chairman, on July 19, 2021, we take this moment to reflect with deep gratitude on the legacy he left behind. Over his 28 years with us, his vision, values, and leadership played a pivotal role in shaping the foundation and direction of our organization.

Mr. Jhunjhunwala's forward-thinking approach and unwavering principles helped transform our modest beginnings into a respected name in the yarn manufacturing industry. His influence is embedded in every achievement, innovation, and the strong sense of unity that defines our team today.

We honour his memory and the strength of character he exemplified. His vision continues to guide us—to strive for excellence, to embrace progress, and to work collaboratively toward our shared goals. His legacy remains the cornerstone of our aspirations for the future.

May his life and contributions continue to inspire us, reminding us that with passion, vision, and perseverance, we can reach new heights. We carry his memory in our hearts and celebrate the lasting impact he had on our company and all of us.

*"In a world that seeks the short cut,  
he advocated integrity and perseverance.  
In a world that champions aggressive growth,  
he recommended a blend of speed and caution.  
In a world that trusts safety and convention,  
he inspired us to think different and embrace change."*



# EVERY THREAD TELLS A STORY OF STRENGTH

Every thread we produce encapsulates the essence of our journey in the textile industry, a journey shaped by innovation, resilience, and an unwavering pursuit of excellence. Each fibre is more than just a material component; it stands as a powerful symbol of craftsmanship, intent, and trust. Every thread tells a story — of ideas transformed into solutions, of strength woven through challenges, and of value created with purpose. As a pioneer in man-made fibre yarns, we cater to a wide spectrum of industries, each with unique demands and aspirations. This year's theme reflects the deeper narrative woven into every thread, a story of enduring partnerships, technological advancement, and consistent performance. We continue to shape the future by spinning strength into every strand, fortifying the fabric of industries and the confidence of those we proudly serve.

*"Each yarn we produce carries a legacy of innovation, resilience, and excellence — weaving strength into every product, every partnership, and every industry we serve"*





## EVERY THREAD TELLS A STORY OF STRENGTH



Wipe your face with softness spun,  
A thread's tale has just begun.  
Innerwear that hugs with grace,  
Strength and comfort interlace.

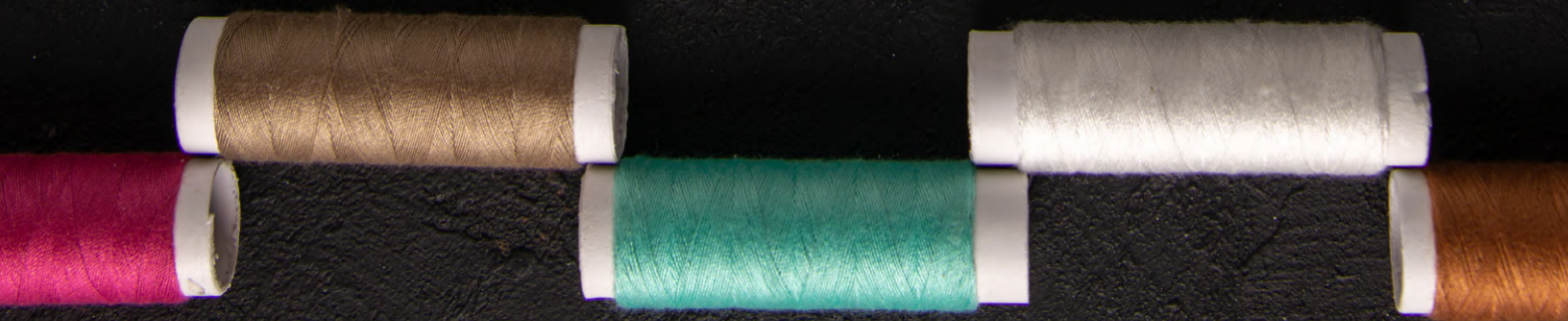
T-shirts breathe with woven care,  
Socks bring warmth that threads prepare.  
Gloves defend from biting air,  
Athleisure moves with flair to spare.

Shoes you lace to chase the day,  
Car seats cradle on your way.  
Seat belts hold with silent might,  
Mattress threads bring restful night.

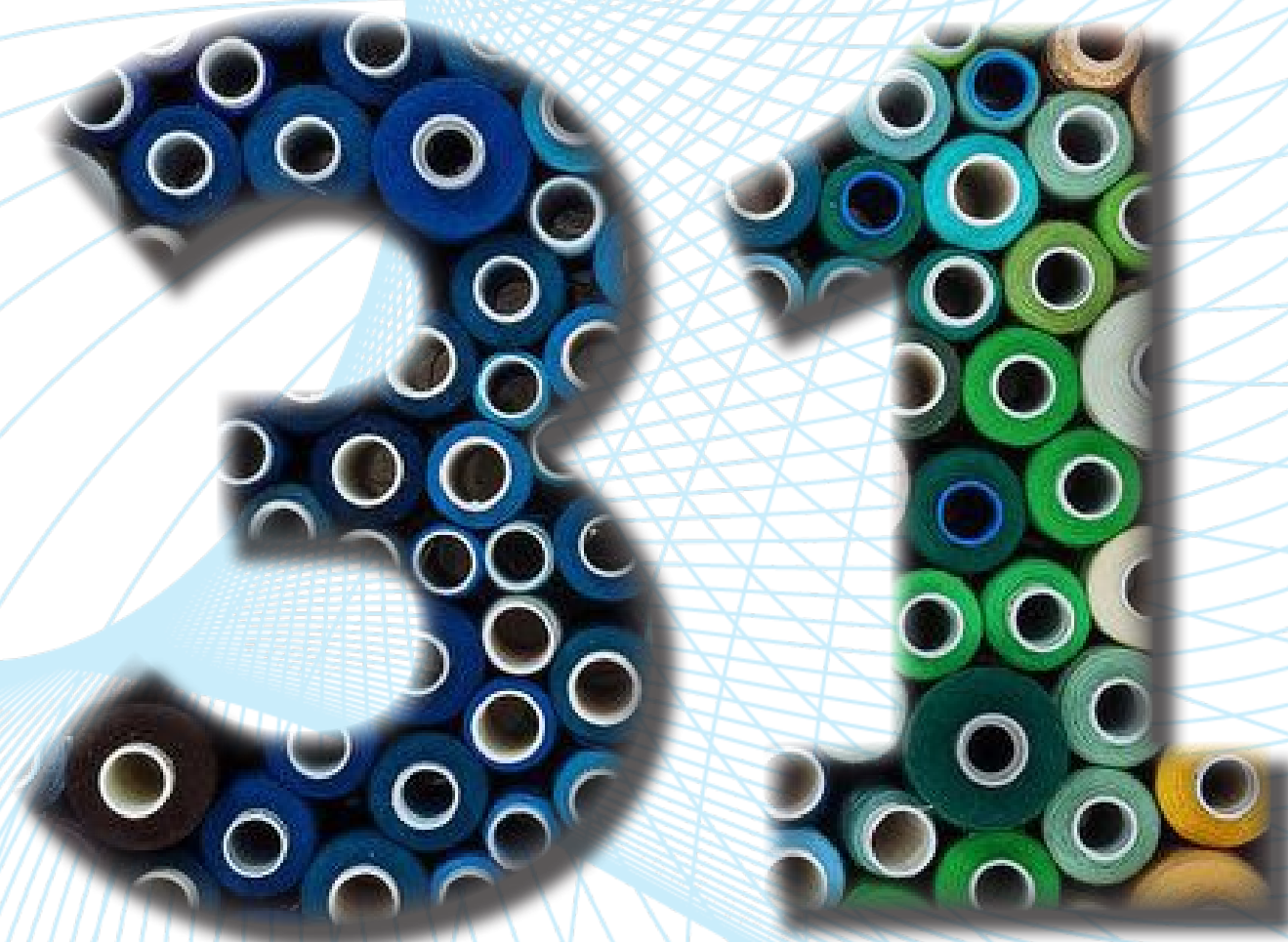
Quilts that wrap in calm embrace,  
Masks that shield with strength and grace.  
Bandage cloths that soothe and bind,  
In every strand, support you'll find.

Mops that clean with fibres true,  
Curtains framing morning's hue.  
From rise of sun to twilight's end,  
Each thread speaks — a silent friend.

Woven strong through work and play,  
Threads of purpose light the way.  
In every yarn, a voice is found,  
A story of strength, tightly wound.



# Marking



## Years Of Excellence At SARLA !





## WHO WE ARE ABOUT SARLA

For over three decades, Sarla Performance Fibers has woven a legacy of strength, innovation, and trust into every thread we produce. What began as a journey in commoditised yarn has transformed into a dynamic evolution — a transition into high-performance yarn manufacturing, driven by forward-thinking innovation, adaptive technology, and an unwavering commitment to quality.

Our story is not just marked by time, but by the milestones that reflect our purpose — milestones defined by resilience in the face of industry shifts, and by our steadfast belief in integrity and client trust. Sarla has become a trusted partner across diverse industries, offering a wide range of yarn solutions tailored to meet ever-changing market needs.

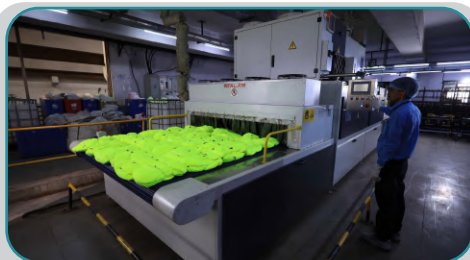
Under the visionary leadership of Mr. Madhusudan Jhunjhunwala, whose 28-year guidance shaped our core identity, and now with Mr. Krishna Jhunjhunwala at the helm, Sarla continues to embrace new challenges with the same clarity of purpose. Our threads are spun not only with fibre, but with the values that have defined us — excellence, resilience, and consistency.

In every fibre lies a purpose. In every solution, a commitment. At Sarla, we believe each thread tells a story — of innovation, strength, and a drive to redefine what's possible in the textile industry. As we move forward, we do so with optimism and intent, determined to shape a future where Sarla holds a unique and enduring place in the fabric of global textiles.



### Our Mission

To deliver customised, high-performance yarn solutions with a strong client-centric approach. Sarla offers a seamless, end-to-end product portfolio tailored to exceed market expectations through continuous innovation and quality excellence.



### Our Vision

To lead through innovation and collaboration, driving sustainable value for clients, stakeholders, employees, and the community. We aim to unlock the potential of every thread, fostering growth through purposeful, future-ready textile solutions.



### Our Values

At Sarla, our values are the foundation of every thread we spin. We embrace transformation through innovation and technology, create complete client solutions with integrity, and deliver excellence through every touchpoint of our organisation.



#### Integrity

We uphold integrity by consistently acting with honesty, fairness, and transparency in all our business dealings.



#### Customer-centric

We are customer-centric, prioritizing customer satisfaction and delivering exceptional value in every interaction.



#### Innovation

We foster innovation by encouraging creativity, adaptability, and a culture of continuous improvement across our organization.



#### Excellence

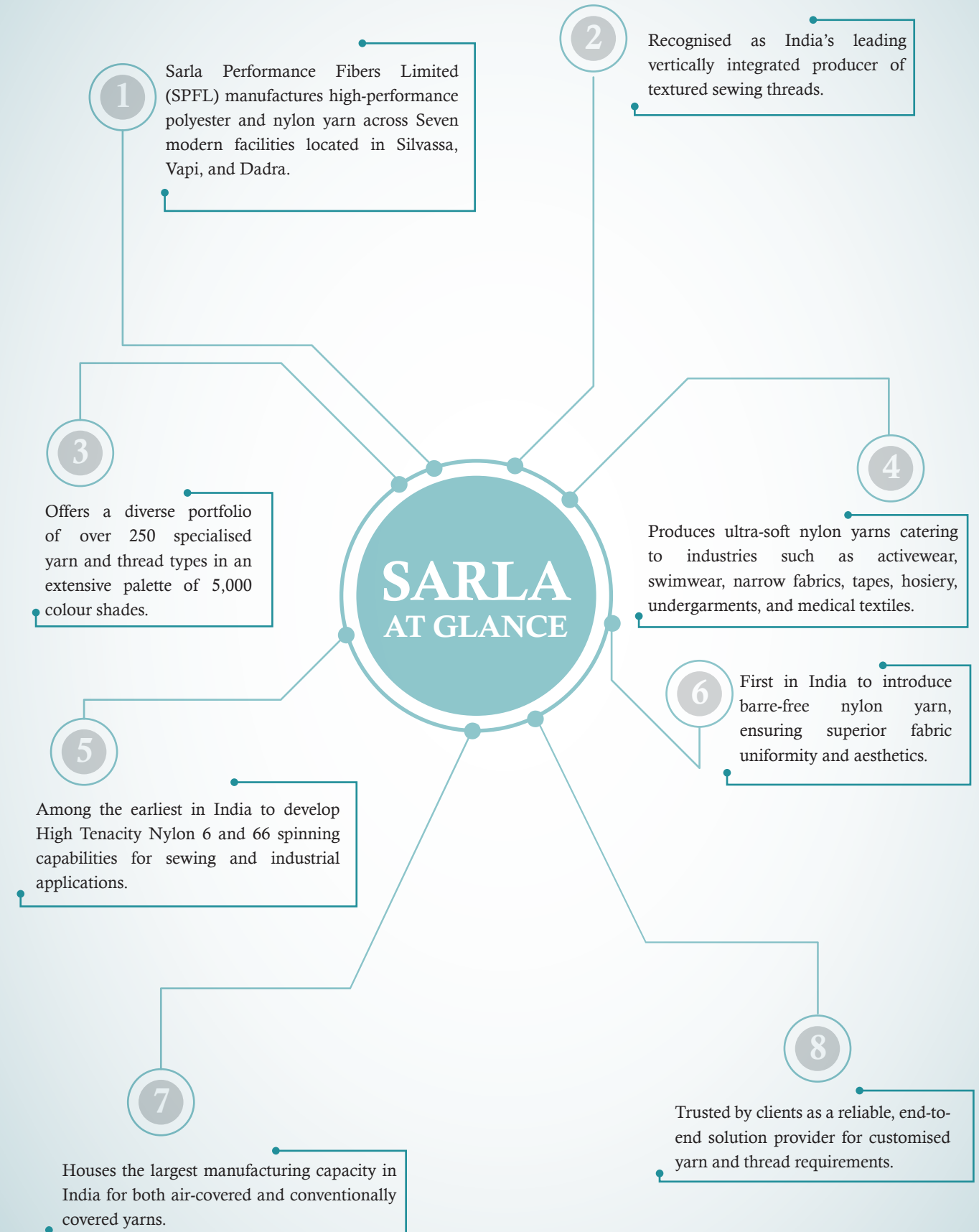
We are committed to excellence, ensuring high standards of performance and quality in everything we do.



#### Accountability

We embrace accountability, taking responsibility for our actions, decisions, and outcomes to uphold trust and reliability.

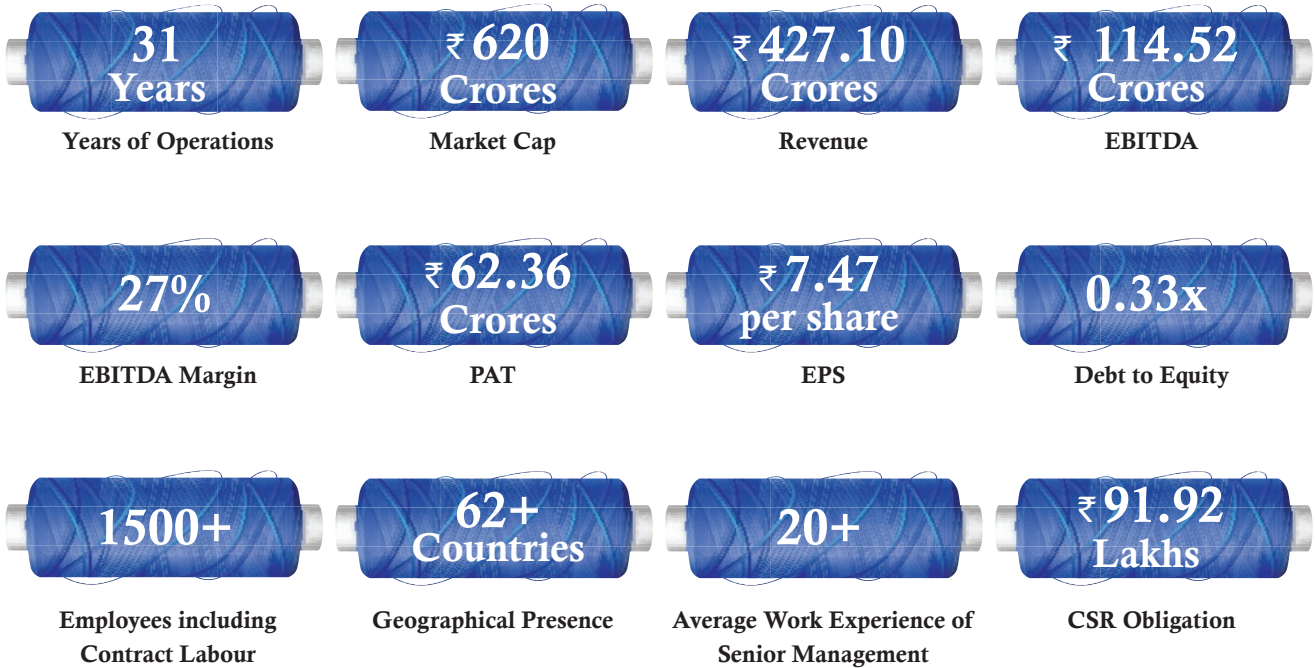
## Setting Industry Benchmarks Through Innovation and Integration







Performance Highlights of FY2024-25



Sarla's Core Strengths

Driven by Purpose, Defined by Excellence

At Sarla, our unwavering commitment to quality and performance is the foundation of our success. Each core strength represents a thread in the fabric of our organisation — woven together to deliver exceptional value and long-term trust to our stakeholders.



## LETTER FROM THE MANAGING DIRECTOR



Dear Shareholders,

It is with immense pride and a deep sense of responsibility that I present our company's 32nd Annual Report, outlining the progress and performance of FY 2024-25, a year defined by significant challenges and emerging opportunities. I am pleased to share that your company responded with agility, innovation, and a steadfast commitment to sustainable and inclusive growth.

The global economic environment remained unpredictable throughout the year, shaped by persistent inflationary pressures and elevated political activity. Despite these challenges, major economies avoided recession, and India stood out with its economic resilience. Supportive government policies, including tax reductions, played a significant role in stimulating domestic demand and reinforcing India's position as a global growth engine.

The textile industry began to show signs of recovery. Export demand gained traction, particularly from the United States and European markets, driven by inventory replenishment and seasonal festive demand. At the same time, shifting global trade dynamics, especially tariff escalations, prompted international brands to diversify their sourcing. India, with its stable political environment and integrated manufacturing capabilities, is emerging as a preferred sourcing destination.

Although the export market faced headwinds due to domestic cotton prices being 10-15% higher than international prices and subdued demand from China, India's domestic textile market remained resilient. The drop in Chinese demand was partially offset by increased sourcing from Bangladesh, where

political uncertainties encouraged buyers to explore alternatives. In the synthetic yarn segment, intense price competition from Chinese manufacturers disrupted the market. However, the Government of India continued to support the domestic industry through protective tariffs, an extended minimum import price regime, and duty exemptions on essential machinery, all of which have strengthened local competitiveness.

The imposition of higher tariffs by the United States on a broad range of textile and apparel imports, including those from India, presented short-term challenges but also led to a reconfiguration of global sourcing patterns. Compared to peers such as China and Bangladesh, India maintained a relative advantage due to its more favorable tariff structure. Additionally, the anticipated finalization of the India and United Kingdom Free Trade Agreement is expected to offer an average 12 percent duty advantage over Chinese products and align Indian exporters with Bangladeshi counterparts, further boosting India's export potential.

Amid these evolving global conditions, our company remained focused on innovation, operational excellence, and value creation. During FY 2024-25, we invested INR 16 crore in technological upgrades and proudly introduced COMFILO, India's first barre free nylon yarn. This product effectively addresses common issues in circular knitting by eliminating fabric bareness and enhancing dye uniformity. Our emphasis on value-added products remains a cornerstone of our strategy, backed by cumulative investments of INR 100 crore over the past five years in expanding capacities for high tenacity yarns, Nylon 6, and Nylon 66. These strategic initiatives are beginning to yield visible results.

In the domestic market, we continue to observe a shift in consumer preferences,

with more Indian consumers willing to pay a premium for superior quality and performance. Currently, value-added products contribute 50 percent of our revenue, a share we expect to grow further as we align with evolving consumer expectations. This trend is perfectly in sync with our long-term vision of driving leadership through innovation and quality.

On the Standalone financial front, we reported a revenue of INR 424 crore for FY 2024-25, reflecting an 11% YoY growth primarily driven by volume expansion. While price realizations remained steady, our EBITDA margin improved to 24.9% from 20.6% in the previous year, supported by lower freight costs and enhanced operational efficiencies. Our commitment to maintaining EBITDA margins above 20% remains firm, guided by a strategic product mix and disciplined cost management.

Our balance sheet continues to be strong, with a healthy debt to equity ratio of 0.33x. Even with ongoing investments in capacity enhancement and modernization, we are firmly on track to becoming a gross debt-free company. Our relentless customer-centric approach has enabled us to maintain a 100 percent customer retention rate while steadily growing our client base, a testament to our reliability and strong industry reputation.

Looking ahead, we are confident that our strategic investments, innovation-driven mindset, and sound financial management will help us unlock our full potential and achieve peak revenue exceeding INR 600 crore. On behalf of the Board and the leadership team, I extend my sincere gratitude to our shareholders, employees, partners, and customers for your continued trust and support.

Warm regards,

**Krishna M. Jhunjunwala**  
Chairman & Managing Director

**“This has been a pivotal year marked by innovation, operational excellence, and strong financial performance. Despite global trade challenges, we launched breakthrough products and expanded our value-added portfolio, reinforcing our market leadership. With a solid foundation and rising demand, we are well-positioned for sustained growth in the year ahead.”**



# Company Overview

Sarla Performance Fibers Limited, an ISO 9001:2015 certified company, stands as a prominent name in the textile industry. We specialise in the production and global export of polyester and nylon textured, twisted, and dyed yarns, including covered yarns, high-tenacity yarns, and sewing threads. What began as a manufacturer of basic yarns has evolved into a strategic shift toward producing complex, high-value yarns. Our core strength lies in customising products to meet the specific needs of each customer, showcasing our commitment to precision and personalisation.



## Manufacturing Facilities and Processes

Operating from our corporate headquarters in Mumbai, India's commercial hub, we manage state-of-the-art manufacturing facilities located strategically in Silvassa, Dadra, and Vapi, about 160 km north of Mumbai. Our principal manufacturing units in Silvassa, with an auxiliary unit in Dadra just 10 km away, are vertically integrated to cover the entire value chain from spinning to advanced technologies for high bulk, high stretch polyester and nylon muffs and hanks.

We are equipped to fulfil customised orders ranging from a few hundred to several thousand kilograms. In-house bonding and kings pool winding operations allow us to produce an impressive variety of over 250 value-added yarns and threads, tailored to meet niche and individual requirements.



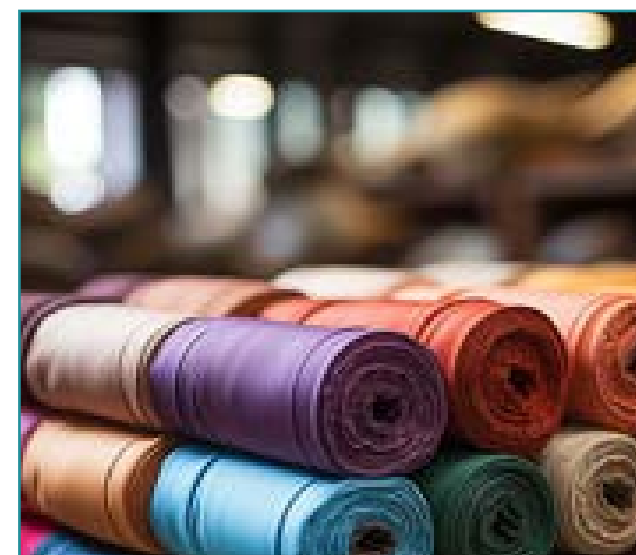
### Promoter

*Sarla is built on the strong foundation of a closely-knit, family-run business, guided by professional management across all areas of operation. This blend of familial values and professional governance is reinforced by a long-standing market presence and the deep expertise of our promoters. The company reflects a legacy of credibility, sustainability, and a relentless drive for growth. Currently, Mr. Krishna Madhusudan Jhunjhunwala serves as the Chairman of the company.*



Today, Sarla holds India's largest capacity in air covering, as well as in single and double conventional covering. Our dyeing facility in Vapi, located in the Gujarat Industrial Development Corporation zone, is equipped with advanced technology capable of dyeing all types of fibres, from stretch nylon to high-tenacity yarns and textured sewing threads.

Our Colour Bank holds over 5000 shades, with our laboratory developing an average of 8 new colours daily. Digital colour matching, performed by certified technicians, ensures exact shade replication. Automated dyeing systems support batch sizes ranging from 1 kg to 500 kg, guaranteeing consistent quality and accurate colour delivery. All facilities are ISO 9001:2015 certified, reflecting our rigorous quality and management standards.



With an average machine age of less than five years, among the lowest in the industry, we continue to uphold a culture of innovation, efficiency, and technological advancement, delivering premium products at competitive prices.

### Product Portfolio

Our yarn offerings include continuous filament yarns, high tenacity yarns and threads, barre-free nylon yarns which we introduced during the year and are the only manufacturer of in India, dyed yarns, and covered spandex and Lycra yarns. Our threads find applications across diverse segments such as automobiles, premium footwear, high-end apparel, and embroidery.

Our products serve a wide range of applications including narrow fabrics, hosiery, medical bandages, knitted and



denim fabrics, leather goods, soft luggage, automotive seat belts and trims, mops, towels, shoe uppers, automotive airbags, and upholstery, among others.

### Global Presence

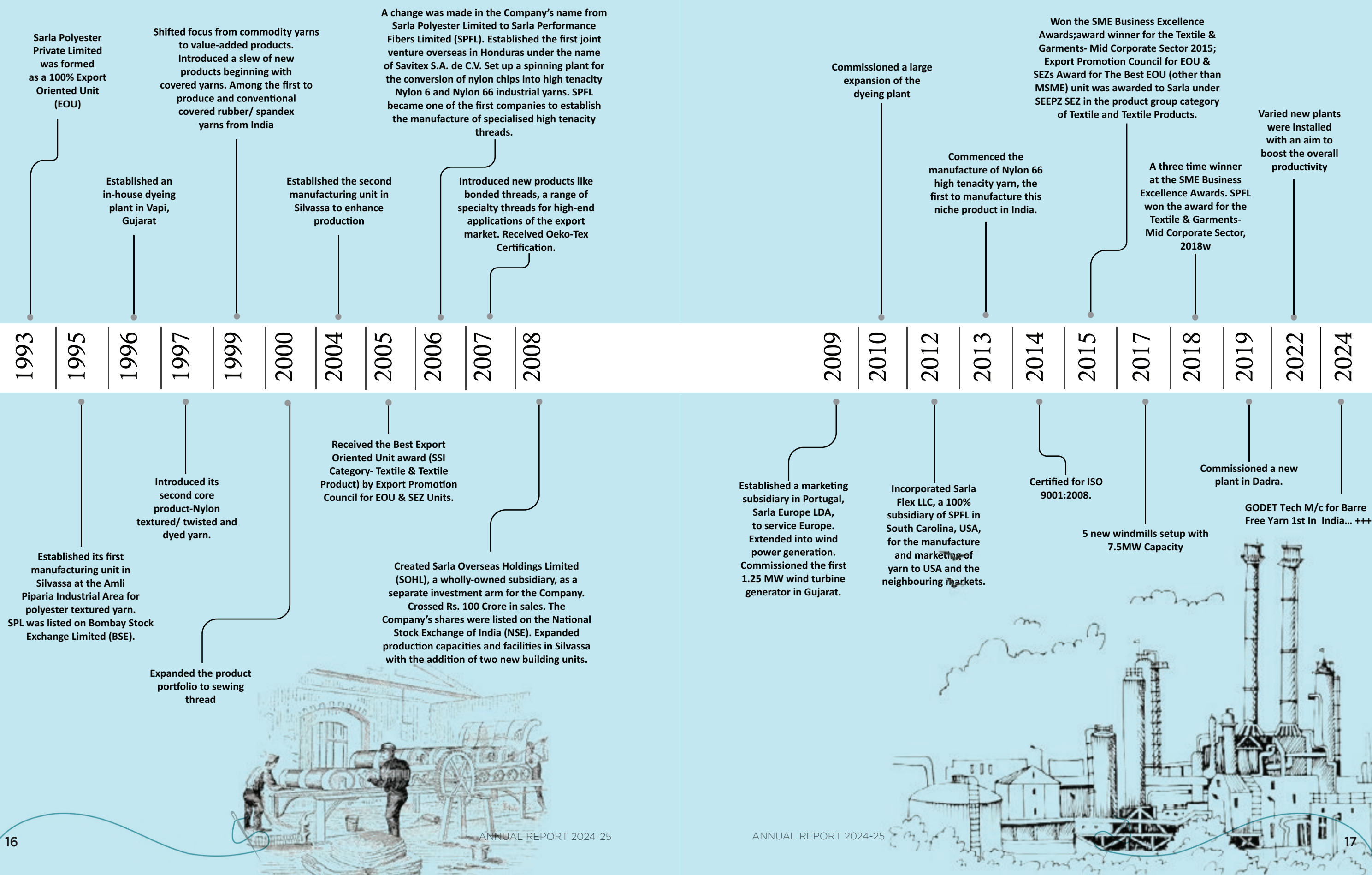
Sarla has a strong international footprint, with exports reaching more than 62 countries. The company also operates through its step-down subsidiary, Sarla Europe LDA, based in Portugal, which caters to both European and South American markets.

Throughout our journey, Sarla has expanded its reach by strengthening existing operations in India and establishing new international facilities. This expansion strategy is driven by our goal of being closer to our customers, enabling faster service and more efficient delivery. Our presence across key global markets is supported by a loyal customer base from major countries worldwide.





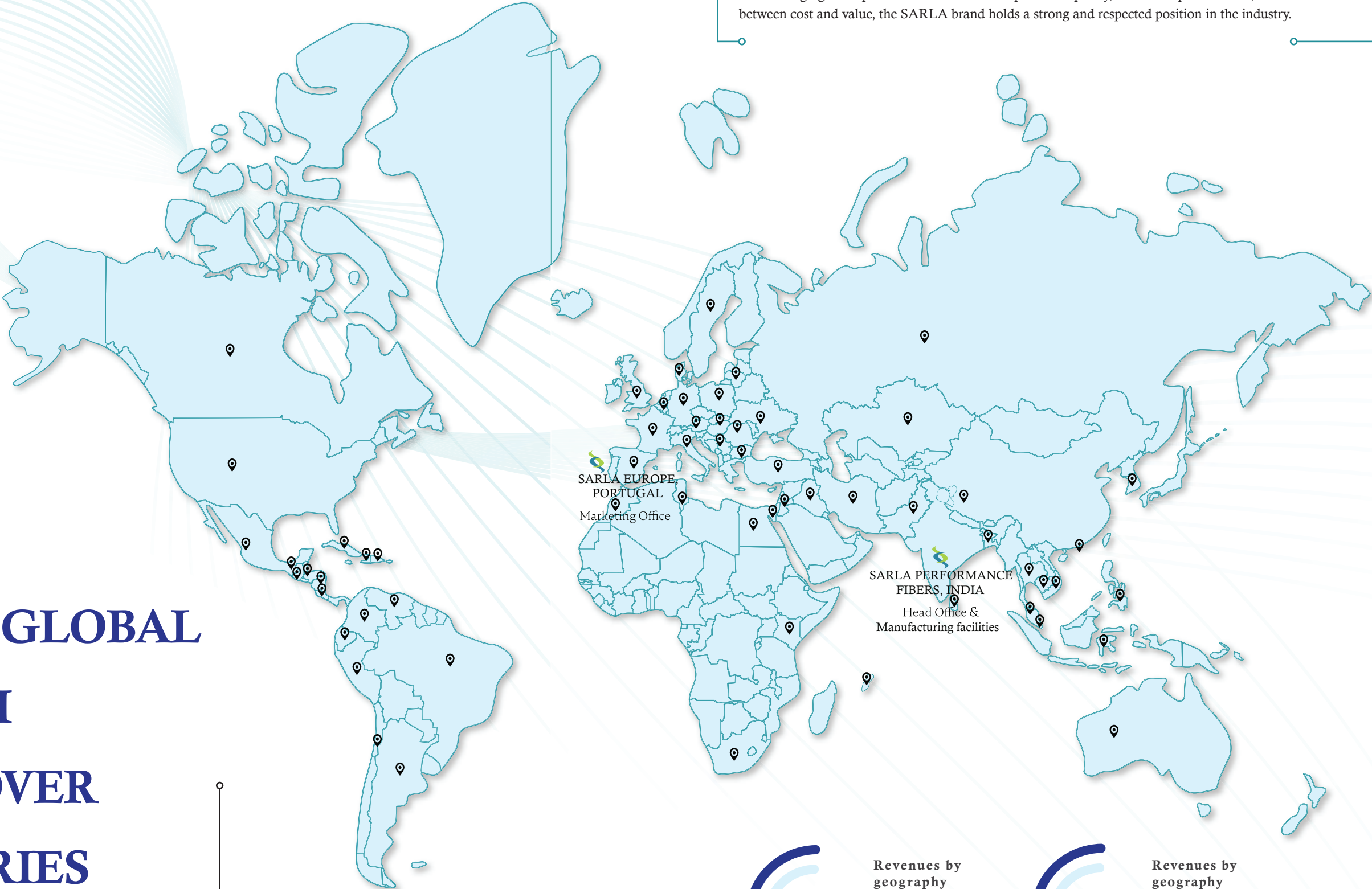
## Key Milestones



# Global Presence

SARLA is widely recognized as a leading yarn supplier to top international brands, operating through both direct sales and intermediary channels. In the 2024-25 Financial Year, approximately 72% of its revenue was generated from clients with relationships spanning five years or more. The company primarily sells its yarns directly while also leveraging trade partners. Known for its dependable quality, consistent performance, and excellent balance between cost and value, the SARLA brand holds a strong and respected position in the industry.

SARLA,  
A TRUSTED GLOBAL  
NAME WITH  
REACH IN OVER  
62 COUNTRIES



📍 Represents customers



**Revenues by geography**

FY 2024-25
44.29% Domestic
55.71% International



**Revenues by geography**

FY 2023-24
42.91% Domestic
57.09% International



## Product Dashboard

**Sarla's Comprehensive Product Line Offers One Stop Solutions. The Company's Assortment of Specialized Yarns Caters to a Wide Range of Complex and Stringent Applications.**

## COMFILO

**India's first Barre-Free Nylon Yarn, A Game-Changer for the Athleisure Industry**

### Barré-Free Nylon Yarn



**COMFILO** offers exceptionally flawless consistency & moisture-wicking functionality, making it ideal for summer textiles. Its UV-stabilization ensures colorfastness and fabric integrity under prolonged sun exposure, while high crimp-rigidity enhances shape retention in lightweight designs. The yarn's unique softness helps manufacturers create highly comfortable products that feel cool and gentle on the skin of the user. Its faultless texture acts as a canvas for vibrant aesthetic designs—perfect for activewear, resort wear, and summer-ready fashion.

### Meet COMFILO – India's First Barré-Free Nylon Yarn

Say goodbye to unpredictable fabric flaws and hello to flawless perfection. Introducing COMFILO India's first Barré-Free Nylon Yarn, developed by Sarla, and designed to eliminate the notorious barré defect that disrupts fabric consistency and quality.

COMFILO isn't just a yarn. It's a revolution.

Engineered for perfection. Designed for sustainability. Made for visionaries.

After months of intensive R&D and innovation with state-of-the-art OLT system technology, COMFILO has emerged as a true game-changer—delivering a seamless, luxurious finish that elevates every textile it touches.

No more barré lines

Superior surface consistency

Waste reduction across production batches

Flawless performance across multiple fabric types

Whether you're crafting luxury fashion, performance-driven athleisure, or cutting-edge apparel, COMFILO gives designers and manufacturers the freedom to create without compromise.

Revolutionizing Key Textile Segments:

Circular Knitting

Fashion Garments

Taffeta Fabrics

Sportswear

For decades, barré has been a costly challenge—until now. While others hesitated, Sarla became the first and only manufacturer in India to conquer this problem, bringing a globally recognized innovation home.

"Providing Tailored Yarn Solutions Across a Diverse Range of Applications"

### Textured Polyester



- ✓ Solution dyed nylons
- ✓ Hank dyed nylon
- ✓ Fine deniers
- ✓ Vertically integrated
- ✓ Micro-filaments
- ✓ Recycled
- ✓ SPFL's hank dyed nylon is known for its unique stretch
- ✓ SPFL-dyed textured nylon has a higher crimp rigidity
- ✓ Yarn stretch properties endure across garment life
- ✓ Custom dye matching for providing the exact colour requirement
- ✓ Superior colour retention
- ✓ Oeko-Tex-certified 100 for baby wear
- ✓ Resistant to commercial laundering
- ✓ High resistance to ultra-violet light
- ✓ Superior abrasive properties for knitted and fabric products
- ✓ Available in a ready-to-dye form

#### Characteristics

Sarla's nylon yarn is respected for its softness and used in downstream skin-touching products where this feature is a necessity. The Company's solution dyed nylons and hank dyed nylon are popular and respected the world over.

#### Applications

Our textured nylon is an integral part of attractive active wear, swim wear, narrow fabrics & tapes, hosiery, undergarments, furniture upholstery and automotive upholstery. We don't just make products more colourful; we also make them more enduring.

### Barré-Free Nylon Yarn



- ✓ Available in a ready-to-dye form for the customer's dye house
- ✓ Custom dye-matching; provides precise colour requirements
- ✓ Superior bulk properties
- ✓ Low shrinkage
- ✓ Counter-abrasive properties, extending fabric life
- ✓ Oeko-Tex certified 100 CLASS 1 for baby wear
- ✓ High colour fastness; resistance to extensive washing
- ✓ Superior yarn evenness for weaving and knitting applications

#### Characteristics

Sarla produces more than 250 varieties of valueadded yarns and threads.

#### Applications

The value of our product is most visible in the colour, strength and durability of sewing threads furniture upholstery, automotive upholstery, narrow fabrics cum tapes, as well as circular and flat knitted products.

The result is positive feedback from the customers of our consumers, making us a go-to brand.



## Textured Sewing Thread



- ✓ Provide sewing thread on finished cones
- ✓ Provide excellent seam cover and softness
- ✓ Ensure good seam strength and seam security
- ✓ Custom dye matching for precise colour matching
- ✓ Excellent colour fastness withstanding extensive washes
- ✓ Resistance to bleach/solvents and chemicals
- ✓ Low shrinkage; no seam distortion after washing and drying

### Characteristics

Sarla is the most vertically integrated textured sewing thread manufacturer in India. Sarla's speciality sewing thread portfolio comprises popular and fast moving products like embroidery thread, mattress thread, bonded thread and denim thread. Textured polyester sewing thread on dye tubes is Sarla's strongest product in terms of volume sold and value. Sarla comprises more than 60 different developed dye tube moulds, empowering the Company to service the needs of any global dye house.

### Applications

Our sewing thread caters to visible applications comprising apparel, swim wear, lingerie, fleece goods, towels cum washcloths, tablecloths cum placemats, sheets and pillowcases. The result is that the visibility, attractiveness and durability of these products is derived from the competence of our yarn.

## High Bulk High Stretch Polyester



- ✓ excellent bulk
- ✓ Custom dye matching, providing the precise colour requirement
- ✓ Good colour retention
- ✓ Oeko-Tex certified 100 for baby wear
- ✓ Endures commercial laundering
- ✓ Excellent abrasive properties for knitted and fabric products
- ✓ Products maximise stretch and recovery

### Characteristics

Our unique products possess the softness and feel of nylon, unlike what most competitors can deliver

### Applications

Bulklon (high bulk textured polyester), a potential substitute for nylon, is used in narrow fabrics and hosiery applications, enhancing customer and consumer delight.

## High Tenacity Yarns



- ✓ Polyester HT twisted yarns
- ✓ Nylon 6 flat & twisted yarns
- ✓ Nylon 6.6 flat & twisted yarns
- ✓ Special lubrication to ensure smooth sewing on high speed machines
- ✓ Bonding technology to deliver superior abrasion resistance bonded thread
- ✓ Unique bond to prevent filamentation and ply separation during fast sewing operations
- ✓ Ability to deliver exceedingly strong seams
- ✓ Good resistance to high heat
- ✓ Good resistance to acids and alkalis

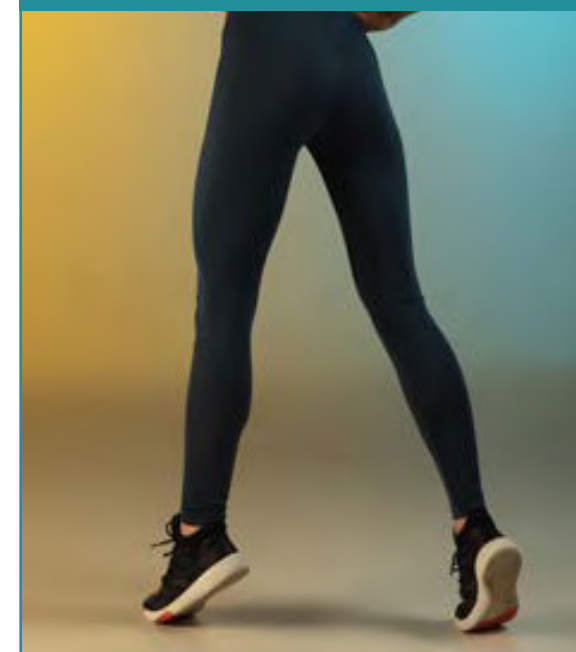
### Characteristics

First company in India to set up HT nylon 6 and 6.6 (flat and twisted yarns) spinning for sewing and other applications. These products are prominent and enjoy robust demand for their attributes.

### Applications

Our high tenacity yarns are integral to the everyday lives of people. They are found in automotive seat belts and trims, automotive air bags, upholstery, dress, casual & athletic footwear, leather goods, soft luggage and saddlery.

## Covered Yarns



- ✓ Nylon or polyester yarns covered with lycra, COVERED YARNS spandex or rubber available in air covered, single covered, double covered and dyed in any colour
- ✓ Provides product stretch and elasticity as per end use requirements
- ✓ Yarn stretch properties retained across garment life
- ✓ Withstands commercial laundering
- ✓ High colour retention
- ✓ Custom dye matching; addresses precise colour requirements

### Characteristics

Sarla has invested in the largest manufacturing capacity for air covered and conventional covered yarns in India

### Applications

Our products go into the manufacture of a range of everyday use products: narrow tapes, hosiery, lingerie, seamless knit wear, medical bandages, knitted and denim fabrics – products where attractiveness needs to be blended with durability and functional ease.

Based on our experience and conversations with customers in the last many years, customers the world over seek to source yarn from Sarla year after year for the following reasons. One, Sarla is a specialist that does not just focus on selling yarn; it focuses on advising customers on what yarn application would be best placed to take their business ahead. Two, Sarla is not focused on marketing what it has in stock; it is focused on marketing and customising yarns in line with what customers need. Three, does not merely manufacture; it delivers in time to match the inventory needs of its customers. The bottomline: Sarla does not manufacture and market; the Company delivers an end-to-end solution that starts from product design and ends at timely product delivery.



# Our Clientele

## Nurturing Cherished Brands: The Inseparable Bond with Our Valued Customers



**Nike**  
Nike is a global iconic sportswear brand comprising the Nike, Jordan and Converse brands steered by a shared purpose to leave an everlasting impression

### PRADA

**Prada**  
Prada designs, manufactures distributes ready-to-wear collections, leather goods and footwear in more than 70 countries

### Amante

**Amante Lingerie**  
The driving force behind the creation of fashionable, yet functional, lingerie crafted around a woman's needs. Amante is available in over 2,500+ outlets across India.



**Adidas**  
Adidas is the largest sportswear manufacturer in Europe and second only to Nike worldwide.



**JW MARRIOTT**  
**JW Marriott**  
JW Marriott has evolved to own a desirable opportunity in the growing luxury tier within Marriott International's vast lodging portfolio.

### GOLDTOE

**Gold Toe**  
The Company's products include socks and support socks for men, women and kids.



**FRUIT OF THE LOOM**  
**Fruit of the Loom**  
Fruit of the loom is a leader in family apparel and sporting goods, ranging from lingerie, sports equipment and athletic wear.



**Disney**  
American iconic multinational mass media and entertainment conglomerate headquartered at the Walt Disney Studios complex in California.

### Calvin Klein

**Calvin Klein**  
Calvin Klein in New York, USA, is a global lifestyle brand that exemplifies bold, progressive ideals and a seductive aesthetic and innovative designs.



**Tommy Hilfiger**  
Tommy Hilfiger is a global apparel and retail company with a distribution network in over 100 countries and more than 2,000 retail stores throughout North America, Europe, Latin America and the Asia-Pacific region.



**Warner Brothers**  
The Company is known studio division the Warner Bros. Pictures Group, which includes Warner Bros. Pictures, New Line Cinema, the Warner Animation Group, Castle Rock Entertainment and DC Films.

### TARGET

**Target**  
Target is a general commodity retailer with stores in all 50 U.S. states and the district of Columbia. Target Corp. has evolved from a pure brick-&-mortar retailer to a multichannel entity.



**Jockey International, Inc.** is an American manufacturer and retailer of underwear, sleepwear, and sportswear for men, women, and children. The company is based in Kenosha, Wisconsin



**American & Efid LLC**  
One of the world's foremost manufacturers of industrial sewing thread, embroidery thread and technical textiles, A&E's global presence extends from Asia to Europe to the Americas



**Coats Group Inc.** is a British multinational company. It is the world's largest thread and structural components' manufacturer for apparel, footwear, and performance materials. Founded over 250 years ago, the UK-based company has operations across 50 countries with a workforce of over 17,000 employees.



**Delta Galil** fuels the growth of global brands with its next-generation fabrics and products. With almost 50 years of design and innovation expertise in the intimates and activewear categories, Delta Galil is the preferred partner for iconic, disruptive, and digitally native brands.



**Fritz Moll** is a company with tradition specializing in elastic products of high quality for fashion and technical applications and have been developing and producing high-quality ribbons and lace at the Germany location for 150 years.



**AMANN Group:** Premium sewing threads & smart yarns Since 1854, AMANN has been one of the internationally leading producers supplying the industry with premium sewing and embroidery threads and smart yarns.



**Walmart**  
Walmart is the world's largest physical retailer whose size is larger than the GDP of a number of countries combined.

### DECATHLON

**Decathlon**  
Decathlon from France is a family-owned company, founded around the belief that the best sports products should be accessible to everyone.



**MAS Fabrics**  
MAS Fabrics is engaged in the manufacture of fabrics in Sri Lanka and belongs to a prominent group engaged in the commissioning of fabric parks.



One of the world's largest manufacturers of basic apparel, including activewear, underwear, and socks.



At **FALKE**, you can find a wide range of luxurious men's socks, sport socks, base layers and underwear. Our products are designed to provide exceptional comfort



**Hanes**  
Hanes has built a strong reputation for T-shirts, socks, women's innerwear, shapewear, men's innerwear, children's innerwear, socks, hosiery and activewear produced in the Company's low-cost global supply chain.



**Madeira USA** is the high quality machine embroidery thread and embroidery supplies market leader. Turn to Madeira for embroidery thread, embroidery backing

*Disclaimer. The list comprises Sarla's direct and indirect customers. The information has been extracted from their respective websites.*



# Our Strategic Pillars

## Financial Capital



Our strategic approach to prudent resource allocation has consistently enabled us to deliver sustainable returns to all stakeholders. We have steadily invested in the company's growth and in Research & Development (R&D) to drive innovation and improve our product portfolio. Despite these ongoing investments, our disciplined capital allocation has helped us maintain a healthy debt-to-equity ratio, reflecting our strong commitment to financial responsibility.

In an industry characterised by high working capital needs and price volatility, we have maintained solid financial stability and a resilient operating margin. This strength is a result of our robust risk management practices and adaptability to changing market dynamics. Through rigorous financial controls and proactive strategies, we have optimised our working capital and effectively mitigated risks tied to price fluctuations.

Looking ahead, we will continue to leverage our financial capital to foster innovation, enhance operational efficiency, and create long-term value for shareholders. Our focus remains on maintaining financial health while investing strategically in areas that support our growth objectives and reinforce our long-term vision.

**Capital Employed**  
**INR 681.22 Crore;**

**Revenue**  
**INR 427.10 Crore**

**EBITDA Margin**  
**27%**

## Manufacturing Capital



Our manufactured capital comprises a robust manufacturing infrastructure, cutting-edge technologies, and advanced machinery. Efficient logistics for raw materials and finished products are integral to maximizing operational performance across our strategically located facilities in Silvassa, Dadra, and Vapi.

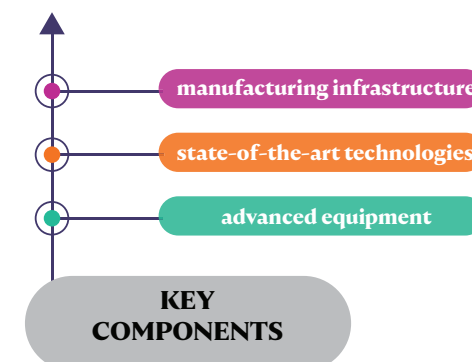
**Over the past six years, we have invested more than INR 125 crore to modernize our facilities and expand production capacity.**

This substantial investment reflects our commitment to adopting advanced technologies and sustainable practices, enhancing efficiency, and supporting our long-term goal of creating value for stakeholders. We continuously upgrade our manufacturing capabilities by scaling existing operations and launching new products to meet evolving domestic and global market trends.

technological advancement. With an average machine age of less than five years, one of the youngest in the industry, we are well-positioned to deliver high-quality products at competitive prices, consistently meeting the diverse needs of our customers.

**Gross block - INR 462.89 Crore;  
 7 Plants; 250+ products variants**

During the year, the company introduced Barre-free nylon yarn, becoming the only manufacturer of this product in India. This innovation further strengthens our market leadership and demonstrates our focus on product development and differentiation.



ISO: 9001: 2015  
 certification



Oeko-Tex  
 Standard 100



Global Recycle  
 Standard (GRS)  
 Certificate

### Credentials

As India's leading producer of Nylon yarn and the sole manufacturer of Nylon 66 yarn in the country, Sarla remains focused on continuous innovation and

The company holds a reputable position as a global brand, and its processes and discipline are aligned and measured against the following standards.



Human Capital



Our workforce encompasses a diverse blend of management professionals, employees, and contract workers, all contributing valuable experience and expertise to our operations. In the labour-intensive textile industry—where skilled craftsmanship and efficient processes are essential—our team is central to our success. We invest in our people by offering robust facilities and ongoing training, enabling them to enhance their capabilities and stay aligned with evolving industry trends. This approach fosters a culture of continuous improvement and reflects our commitment to operational excellence across all production areas.

The long tenure of many of our staff, with several team members serving for over five years, is a testament to the strong culture of trust and commitment within our organisation. Their continued presence not only brings stability but also promotes knowledge sharing, skill development, and innovation. By harnessing the strength of our skilled workforce and nurturing an environment of loyalty and forward-thinking, we are well-equipped to drive sustained growth, uphold exceptional quality standards, and adapt to the changing demands of the textile market.

**No. of Employees -; Average years of employees- 15+ years; Average experience of Senior Management -20+ years; ; Average experience of board members - 40+ years**



Intellectual Capital

At Sarla, our intellectual capital forms the foundation of our operational excellence and competitive strength. With a steadfast commitment to innovation, we have built a dynamic and agile organisation that quickly adapts to evolving market demands while maintaining a leading edge. This focus allows us to streamline operations, reduce costs, and enhance our product portfolio, ensuring we stay ahead in industry developments.

Our dedicated Research & Development and quality control teams play a crucial role in this process. They are instrumental in consistently delivering high-quality yarns that strengthen our brand reputation and market presence.

The value of our intellectual capital is reflected in the numerous quality certifications we hold, which highlight our rigorous quality standards and unwavering dedication to exceeding industry benchmarks.

In addition, our commitment to innovation and excellence has earned us multiple awards, reinforcing our strong position within the textile sector. Sarla’s intellectual capital is a key driver of our success, enabling us to provide outstanding value to our customers and stakeholders. Through continuous improvement, quality, and innovation, we remain a trusted and forward-looking leader in the industry.



Awards and Accolades

2018



**Business Excellence Award**

SPFL won the award in the Textiles & Garments - Mid Corporate Sector

2015



**Business Excellence Award**

SPFL won the award in the Textiles & Garments- Mid Corporate Sector for 2015 at the Dun & Bradstreet (D&B) SME Excellence Awards in New Delhi

2015



**Best Export Oriented Unit**

(SSI Category – Textile & Textile Product) by Export Promotion Council for EOU & SEZ Units.

2014



**Best Global Business Award**

Sarla was felicitated as the Best Global Business 2014 at the SME Business Excellence Awards in New Delhi.

2012



**Best Export Oriented Unit**

(SSI Category – Textile & Textile Product) by Export Promotion Council for EOU & SEZ units.



# Natural Capital

*“SPFL will pursue knowledge, practices, and decisions encouraging environmentally friendly and ecologically responsible manufacturing operations which will help protect the environment and sustain its natural resources for current and future generations.”*

**Krishna M. Jhunjhunwala,**  
Managing Director

## ENERGY CONSERVATION

- ✦ A program has been implemented to replace lighting in the manufacturing facilities with more energy efficient lamps.
- ✦ Where feasible, less efficient motors have been replaced with new less energy consuming motors on the manufacturing machines.
- ✦ Utilizing energy generated by recently set up wind power plants

## RECYCLING

- ✦ Cardboard cartons, manufacturing process waste (polyester and nylon), and damaged plastic products such as cones and tubes are recycled
- ✦ Allied material for Sarla's internal processes and in internal transfers between Silvassa and Vapi are re-used and recycled..

## SARLA'S DYE HOUSE & DYEING PROCESS

- ✦ Sarla's dye house is equipped with a system to be energy efficient.
- ✦ The dyeing machines and the dyeing process is designed to reduce water and energy consumption.
- ✦ All process water used in dyeing is treated before returning it safely to the environment.
- ✦ Eco-friendly steam boiler.

As part of its commitment to social responsibility and environmental sustainability, Sarla has actively diversified into wind energy. This journey began in 2009 with the installation of its first 1.25 MW wind turbine in Gujarat. A second turbine followed in Maharashtra in 2011.

In 2012, Sarla deepened its investment in green energy with the commissioning of two additional turbines in Maharashtra, bringing the total capacity across Gujarat and Maharashtra to 7.25 MW. The company expanded into Madhya Pradesh in 2015 with the installation of two more turbines, and in 2016, added three more in Gujarat.

Today, Sarla operates Eight wind turbines across three states, generating a combined 12.75 MW of clean energy—demonstrating its enduring commitment to a greener, more sustainable future.



Social and Relationship Capital



At Sarla, responsible corporate citizenship is central to how we engage with our communities and partners, including vendors, suppliers, and customers.

We place strong emphasis on cultivating positive and collaborative relationships with our stakeholders by fostering trust, loyalty, and a sense of shared responsibility. Our approach to business extends beyond financial performance—we prioritise transparency, sustainability, and long-term partnerships across all our operations. By adapting to evolving customer needs and promoting inclusive growth within the communities we operate in, we create a strong ecosystem of mutual support and shared value.

We are firmly committed to social initiatives and Corporate Social Responsibility (CSR), which play a key role in uplifting communities and supporting sustainable development. Our CSR efforts are diverse and far-reaching, encompassing programs such as health camps, vocational training, and infrastructure development, all aimed at improving the quality of life in the regions we serve.

With a focus on continuous improvement, we strive to expand our positive impact, ensuring that our growth benefits society at large. Through ongoing efforts in community outreach, environmental sustainability, and education, we are dedicated to building a more inclusive and sustainable future for all stakeholders.

20+

Equipment vendors

100+

Raw material suppliers

350+

Customers

INR 91.92 Lakhs

CSR Obligation



Our Ethical Responsibilities to Stakeholders

We firmly believe that within an organisational framework, real value is created through a unified effort to meet the diverse needs of all stakeholders. This principle reflects our core belief that sustainable business value can only be realised by generating meaningful impact across the entire stakeholder spectrum.

**Employees** are developed with care and intention to become domain experts, fostering their individual career growth while strengthening the organisation through accumulated knowledge and expertise.

**Vendors** provide valuable insights into our evolving product portfolio and dynamic process requirements. Through close collaboration, they are empowered to design and deliver customised raw materials and equipment that align precisely with our operational needs.

**Customers** benefit from bespoke, value-added solutions that go beyond traditional product supply. This approach enhances their competitive positioning and strengthens their downstream offerings.

**Shareholders** benefit from both dividends and the potential for long-term capital appreciation, supported by a deep understanding of our operations and strategic direction.

**Government** bodies gain from our contributions through employment generation, regulatory compliance, and tax revenues, reinforcing a mutually beneficial relationship.

Our comprehensive commitment to all stakeholders reflects our dedication to inclusive growth and shared prosperity, underpinning our role as a responsible corporate citizen.

Employee Value

Year	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Salaries and wages (Rs. Crore)	17	17	17	20	21
Talent retention %	80	80	71	70	80

Customer value

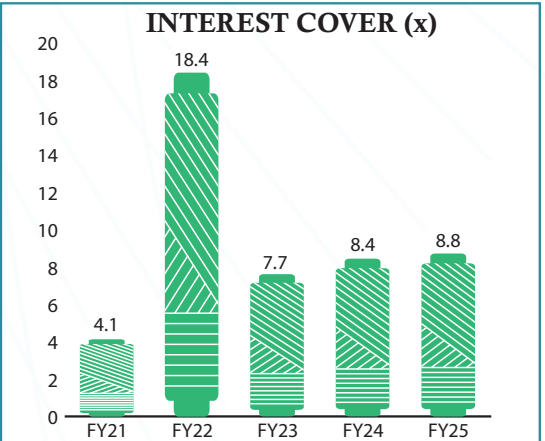
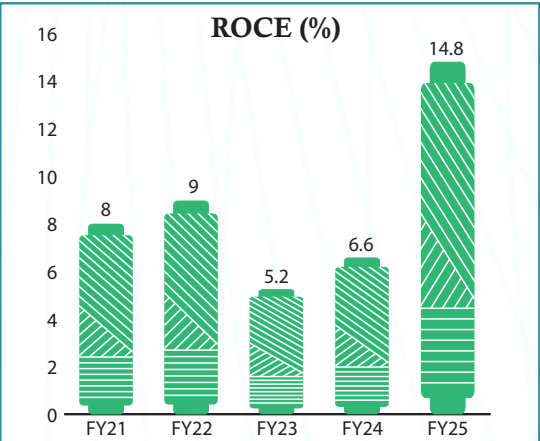
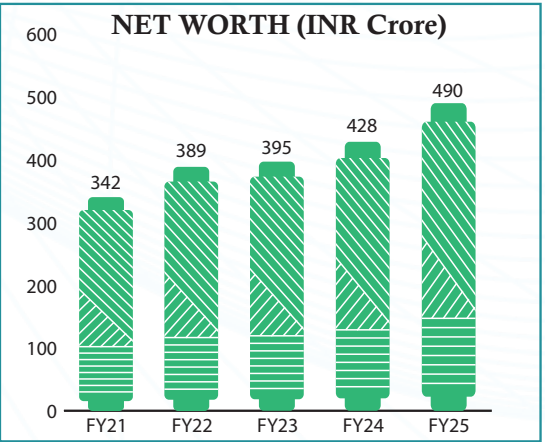
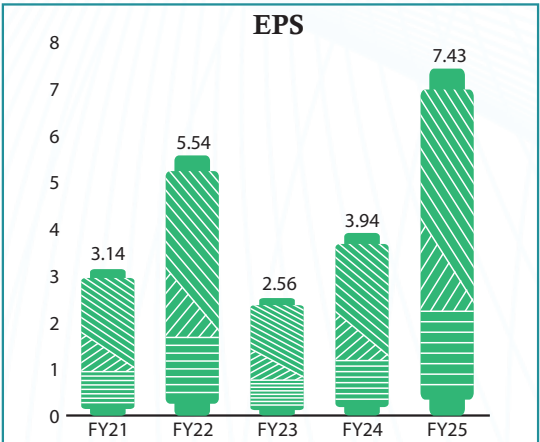
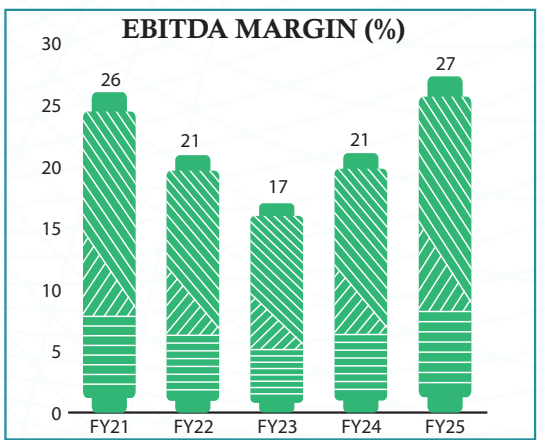
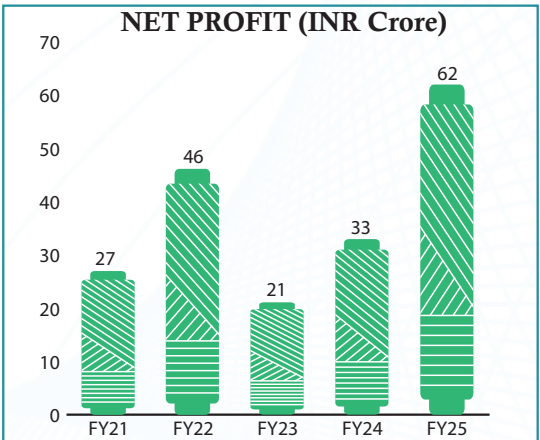
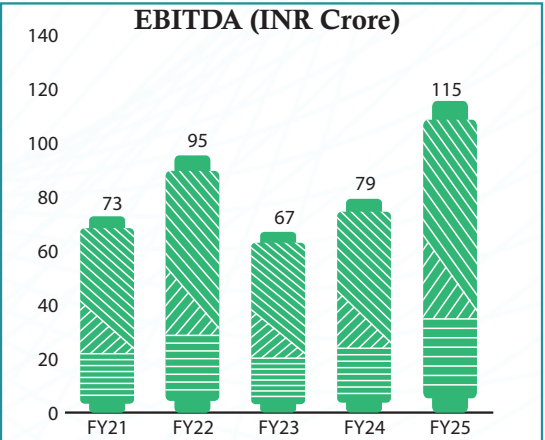
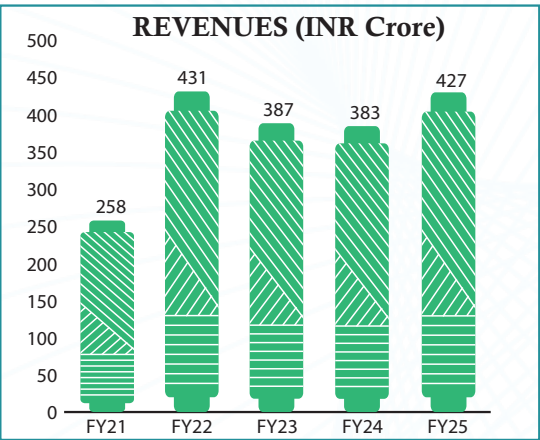
Year	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Unique customers	259	273	283	294	352
% of revenues from customers of five years or more	65	71	71	81	75
Export as a % of overall revenues	64	51	52	56	55

Key Financial Highlights

	Financial Year 2025	Financial Year 2024	Financial Year 2023	Financial Year 2022	Financial Year 2021
Revenues (₹ Crore)	427	383	387	431	258
EBITDA (₹ Crore)	115	79	67	95	73
Net Profit (₹ Crore)	62	33	21	46	27
EBITDA Margin (%)	27	21	17	22	28
EPS	7.47	3.94	2.56	5.54	3.14
Net Worth (₹ Crore) (Standalone)	518	468	395	389	342
ROCE (%)	11	9	7	13	10



STORY IN CHARTS



MANAGEMENT DISCUSSION AND ANALYSIS



Industry Insight

Global Economy: The Year Under Review

The global economy in 2024 demonstrated resilience amid a challenging and evolving landscape. The year began with optimism as inflation showed signs of easing and recession risks appeared to recede. While most major economies managed to avoid recession, inflation remained more persistent than expected, particularly in the services sector, contributing to uneven growth across regions. The United States emerged as a key driver of global growth, supported by strong consumer demand, while several advanced economies faced tighter credit conditions and subdued household spending.

Adding to the complexity, 2024 was marked by heightened political activity, with over 70 national elections, including those in the U.S. and India, introducing a layer of policy uncertainty. These political transitions have the potential to significantly influence fiscal, trade, and monetary policies moving forward. Meanwhile, trade relations continued to be strained, especially between the U.S. and China, leading to supply chain realignments and a significant decline in bilateral trade. Financial markets remained volatile, reflecting uncertainty around policy directions and growing signs of global economic fragmentation. At the same time, climate-related risks and a push toward sustainable transitions began reshaping investment trends and long-term policy priorities.

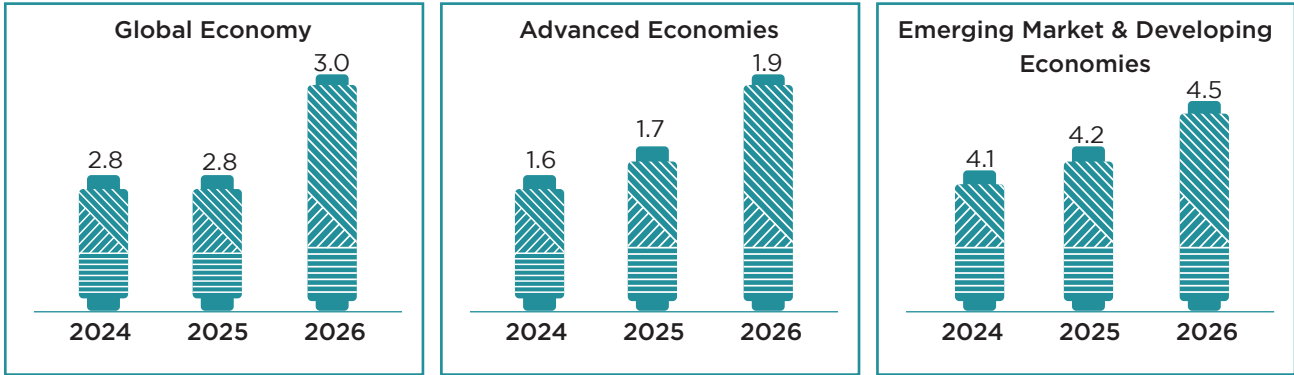
Near-term Outlook

Looking ahead to 2025, global economic growth is expected to remain moderate, with the IMF projecting an expansion of 3.3%. Inflationary pressures are likely to continue easing, particularly in advanced economies, although central banks are expected to remain cautious in adjusting interest rates, which may stay elevated in the short term. Trade dynamics are anticipated to keep evolving as nations respond to a more fragmented and geopolitically sensitive global environment, with a strong focus on enhancing supply chain resilience and regional integration.

Emerging and developing economies are poised to play a more prominent role in driving global growth, underpinned by technological adoption, demographic advantages, and increased investment in infrastructure and digital economies. Nonetheless, the outlook is tempered by ongoing risks, including geopolitical tensions, climate change, potential financial market instability, and uncertainty surrounding post-election policy shifts in key economies. In this environment, adaptability, strategic foresight, and a long-term perspective will be essential for navigating an increasingly complex global economic landscape.



Economic Group	2024	2025	2026
Global Economy	2.8%	2.8%	3.0%
Advanced Economies	1.6%	1.7%	1.9%
Emerging Market & Developing Economies	4.1%	4.2%	4.5%



Indian Economy Overview

In FY2024-25, India's economy displayed resilience with a projected real GDP growth of 6.4%. The agriculture and services sectors led the growth, benefiting from favorable rural conditions and strong demand. The services sector, especially IT and financial services, continued to expand, while manufacturing faced challenges from weak global demand and seasonal disruptions. Despite these challenges,



private consumption remained stable, supported by steady income levels and government policies. The re-election of the Modi government provided political stability, fostering investor confidence and policy continuity. Tax cuts aimed at boosting consumption are expected to have a more significant impact in FY2025-26, encouraging higher disposable incomes and private capital expenditure.

India's macroeconomic stability was supported by prudent fiscal management, maintaining the fiscal deficit below 5% of GDP. The external sector remained strong, driven by a services trade surplus and growing remittances, which helped balance global economic

uncertainties. Inflation eased to a five-year low of 3.34%, enabling the Reserve Bank of India to adopt an accommodative policy stance, further supporting liquidity and credit flow.

Outlook

Looking ahead to FY2025-26, India's economic outlook remains optimistic, with the IMF projecting GDP growth at 6.5%. Consumption is expected to



stay strong, supported by a favourable monsoon, a rebound in agriculture, and the positive effects of recent income tax cuts. These factors are also likely to encourage greater private investment. However, external headwinds such as geopolitical tensions, volatile commodity prices, and rising trade tariff risk pose potential challenges to growth. On the domestic front, sustained progress in infrastructure development, employment generation, and regulatory reforms will be critical for maintaining momentum. Over the medium term, India's ability to tackle structural challenges and improve its global competitiveness will shape its long-term growth trajectory.

Global Textile Market

The global textile market demonstrated healthy growth in 2024, reaching an estimated USD 690 billion, with projections indicating expansion to USD 903 billion by 2028 at a CAGR of 7.0%. The industry benefited from improved consumer sentiment, normalising supply chains, and stable raw material prices, particularly in the latter part of the year. Demand was driven by the continued shift toward man-made fibres, increasing emphasis on sustainable and technical textiles, and greater digitisation across the textile value chain. The fashion e-commerce segment remained a significant growth driver, supported by widespread internet access, mobile-first consumers, and increasing demand across various age groups. This segment is projected to grow at a CAGR of 10.6%, reaching USD 1,357 billion by 2028. The shift to online platforms is reshaping supply chains and prompting quicker response cycles in global markets.

However, the textile industry also faced challenges, particularly due to recent tariff hikes. Many countries have imposed new tariffs on textiles, especially affecting key players in China, Vietnam, and other Asian manufacturing hubs. These tariff hikes added additional costs to the global supply chain, leading to increased production costs and pressure on margins, particularly in low- and mid-tier markets. This scenario forced global brands and retailers to reassess their sourcing strategies and move towards more diversified supply chains to mitigate the impact of such tariffs.

Simultaneously, the industry navigated key regional challenges, including political instability in Bangladesh, which disrupted production planning and weakened buyer confidence. Rising labour costs in Vietnam also created margin pressures in basic and value apparel categories. These developments intensified the shift towards diversification, resilience, and adherence to ESG compliance across global supply chains. Amid these complexities, India emerged as a preferred sourcing destination. The country's integrated manufacturing capabilities, improving infrastructure, and commitment to sustainability norms positioned it as a key player in the evolving global textile landscape. India's growing role in global sourcing decisions further highlights a shift toward more balanced and diversified vendor bases, as companies look to reduce dependency on tariff-exposed markets.

Outlook

The outlook for 2025 remains cautiously optimistic. As retail confidence improves and raw material costs stabilise, global textile demand is expected to strengthen further. Brands are projected to adopt more agile and sustainable sourcing practices, prioritising traceability, compliance, and lead time reduction. Demand for man-made fibres, sustainable

fabrics, and technical textiles is expected to grow at a healthy pace, fuelled by innovation, lifestyle shifts, and regulatory pressure toward more eco-conscious production. With continued digitisation, rising environmental standards, and shifting geopolitical realities, the global textile landscape is expected to become more integrated, transparent, and adaptive. Countries that can deliver value through a combination of cost efficiency, compliance, speed, and scale will be better positioned to capture emerging opportunities in a competitive and dynamic global market.

The Indian Textile and Apparel Industry:

The Indian textile and apparel industry remains a cornerstone of the country's economy, contributing approximately 2.3% to GDP, 13% to industrial production, and 12% to total exports. It is the second-largest employment generator in India, engaging around 45 million people. In 2024, the industry was valued at approximately USD 222.08 billion, with projections estimating a rise to USD 646.96 billion by 2033 at a CAGR of 11.98%.

Spanning the entire value chain from fiber to fashion, the Indian textile industry combines traditional sectors such as handlooms and handicrafts with modern segments like technical textiles. Evolving consumer demand has accelerated the shift toward sustainable materials, eco-friendly production processes, and digital distribution channels. The expansion of e-commerce and increasing preference for ethical fashion have created new opportunities for premium and niche textile products.



Year 2024 marked a year of steady recovery for the sector. The second half of 2024 saw improved export performance, especially to key markets in the US and Europe, driven by festive season demand, lower inventories, and rising retail footfall. From April to December 2024, apparel exports rose by 11.3% to USD 9.8 billion, while textile exports increased by 3.9% to USD 13.5 billion. Cumulatively, India's textile and apparel exports grew 6.9% to USD 23.3 billion.



At the same time, the industry responded to global shifts in sourcing patterns. Political instability in Bangladesh and rising labor costs in Vietnam disrupted global supply chains, prompting international buyers to diversify their supplier base. India, with its integrated manufacturing ecosystem and focus on compliance and sustainability, emerged as a credible alternative for global sourcing.

#### Policy Measures and Global Trade Dynamics

In 2024, the United States imposed higher tariffs on a wide range of textile and apparel imports, including those from India. While this posed challenges, it also shifted global sourcing dynamics, with many brands seeking diversified and reliable supply chain partners. India, however, remains in a favorable position due to its lower tariffs compared to peer countries. While tariffs increased for competitors like China and Bangladesh, India's relatively competitive tariff rates, along with its strong raw material base, growing man-made fiber (MMF) capacity, and improved logistics infrastructure, continue to make it an attractive sourcing destination.

India's ongoing trade agreements, including the India-UK FTA and cooperation with the EU, further bolster its position. Additionally, the Union Budget 2025-26 includes protective measures such as a 20% import duty on specific knitted fabrics and support for domestic manufacturing through duty exemptions on critical machinery. These policy measures, combined with India's lower tariff structure, position the country as a more attractive and competitive choice in the global textile market.

#### Outlook

The outlook for FY2025-26 is highly optimistic as India's textile sector leverages recovery momentum. With global retail demand strengthening and raw material prices stabilizing, export growth is expected to accelerate. India's competitive tariff structure, lower than many peer countries, makes it an attractive sourcing hub for global brands seeking diversified and long-term partnerships.

The recent US tariff hikes, while increasing costs for other countries, work in India's favor. India's lower tariffs, combined with its vertically integrated production base, cost efficiencies, and growing sustainability compliance, position it as a preferred sourcing destination. The focus on expanding the man-made fiber ecosystem and garment manufacturing capacities will further enhance competitiveness.

Policy reforms, infrastructure support, and ongoing FTAs will boost India's appeal. As the industry shifts toward green manufacturing and digital traceability, Indian companies investing in innovation and compliance will capture greater market share. With strong domestic demand and expanding exports,

FY2025-26 presents a key opportunity for India to solidify its leadership in the global textile market.

#### Global Yarn, Fiber, and Thread market

The global yarn, fiber and thread market is set to witness robust growth over the next few years. Valued at USD 120.8 billion in 2024, it is projected to reach USD 154.1 billion by 2027, translating to a CAGR of 6.3%. This expansion is underpinned by rising urbanization, growing demand for manmade fibers, increased disposable incomes, and sustained momentum from technological innovation. Supportive government policies and the dynamism of emerging markets continue to create new growth avenues for the industry.

However, several challenges temper this optimism. Volatile commodity prices, persistent supply chain disruptions, and lingering inventory overhangs have created pockets of uncertainty. Geopolitical risks are also shaping sourcing strategies more than ever. Recent tariff hikes on textile imports by the United States and ongoing political unrest in Bangladesh, a key player in global garment manufacturing, have added new layers of complexity for global buyers and triggered a re-evaluation of procurement and diversification strategies.

Despite these headwinds, the market is expected to maintain its upward trajectory. Growth will be supported by structural drivers such as population expansion, rising demand for performance wear, increased penetration of organised retail, and the influence of digital platforms and social media. Asia Pacific remains the epicentre of this market, accounting for nearly 65% of global share, owing to its scale, cost efficiency, and strong production base. Europe and North America continue to contribute through advanced technology and premium production standards, while regions like Latin America and the Middle East and Africa are gradually emerging as promising players, backed by improving demand and trade dynamics.

#### Indian yarn market

India's yarn industry, a vital component of the country's textile sector, maintained steady performance in 2024, with overall yarn production consistently exceeding 5,000 million kilograms. Cotton yarn remains the dominant segment, accounting for approximately 70% of total output. Although cotton yarn exports declined in 2024, primarily due to domestic cotton prices being 10-15% higher than international prices since April 2024 and a reduction in demand from China driven by the China Plus One strategy, domestic demand stayed robust. The strength of the domestic market was supported by a shift in global sourcing of readymade garments from key markets such as China and Bangladesh to India, as the United States works

to reduce its reliance on China and political instability continues in Bangladesh. Additionally, the recovery in home textile demand from major export destinations like the United States and the United Kingdom, aided by declining interest rates and easing inflation, further boosted domestic consumption. Cotton yarn exports are projected to fall by 5% in 2024, with a modest recovery of 2-3% expected in 2025. Meanwhile, total cotton yarn volumes are forecast to grow by 5-6% in 2025, driven by strong domestic demand.

With more than 1,943 spinning mills and widespread adoption of advanced technologies such as compact spinning, splicers, autoconers, and electronic cleaners, India's yarn industry continues to offer a diverse range of high-quality products. These technological advancements, combined with policy support, reduced borrowing costs, and strategic investments, are expected to enhance the industry's competitiveness and financial resilience. While export volumes remain under pressure, domestic demand is set to be the key driver of growth, positioning India as an increasingly significant player in the global yarn market.

#### Man Made Fiber (MMF) Overview and Outlook

The global textile industry is experiencing a notable transformation, driven by changing fashion trends, technological innovations, and a growing focus on sustainability. As of 2024, the MMF market was valued at approximately \$175.06 billion, with projections indicating substantial growth to \$258.43 billion by 2028, reflecting a CAGR of 7.9%. MMFs encompass both synthetic fibers, such as polyester, nylon, and acrylic, and cellulosic fibers like viscose and lyocell, derived from renewable wood pulp. In 2023, global fiber production reached a record high of 124 million tonnes. Polyester remains the dominant synthetic fiber, accounting for a significant share of global MMF consumption. The global polyester fiber market was valued at \$129.8 billion in 2024, with expectations to reach \$207.4 billion by 2034, growing at a CAGR of 4.5%. This growth is driven by its widespread use in textiles, apparel, automotive, and industrial applications. Nylon, known for its strength and flexibility, is also witnessing increased demand across various sectors. The global nylon fiber market size was estimated at \$35.66 billion in 2024 and is projected to grow at a CAGR of 6.2% from 2025 to 2030, owing to its applications in textiles, automotive components, and industrial products. In addition, cellulosic fibers are gaining popularity due to their biodegradability and sustainable sourcing. The man-made cellulosic fiber market is expanding with investments in sustainable production methods and applications in textiles and nonwoven materials. Technological advancements in fiber spinning, dyeing processes, and recycling technologies are enhancing the performance and versatility of MMFs, while also contributing to

reducing carbon footprints and supporting circular economy practices. As global demand for sustainable and versatile materials rises, MMFs are poised to play an essential role in shaping the future of the textile industry.

#### India Man Made Fiber Industry:

India's Man-Made Fiber (MMF) sector is experiencing significant growth, establishing itself as the world's second-largest producer of both cellulose and synthetic fibers. Polyester remains the dominant fiber, accounting for approximately 77.5% of MMF production, while viscose contributes around 16.5%. This growth is driven by increasing demand across various sectors, including nonwovens, technical textiles, medical textiles, and evolving fashion trends. Despite this progress, India's per capita MMF consumption stands at 3.1 kg, significantly lower than the global average of 11.2 kg and North America's 36.9 kg, indicating substantial potential for domestic consumption growth. The sector contributes 14% to India's textile exports, positioning the country as the sixth-largest exporter of MMF textiles globally.

Between April and August 2024, India's MMF textile exports reached \$2.31 billion, marking a 2.2% increase from the previous year. Notably, exports of MMF yarn and made-ups saw significant growth, while MMF fabric exports experienced a slight decline. Value-added segments like fabrics and made-ups constituted 62% of total MMF textile exports during this period. In the synthetic yarn segment, the Government of India introduced a Quality Control Order in October 2023, resulting in a 59% YoY decline in polyester yarn imports, including a 67% drop from China. Furthermore, the government extended a Minimum Import Price on synthetic knitted fabrics until December 2024 to curb the inflow of inferior quality imports.

Sustainability remains a key focus, with the industry increasingly adopting recycled materials in polyester production to address environmental concerns and meet the growing demand for eco-friendly products. Innovations in fiber technology, such as advancements in recycling processes and sustainable sourcing, are enhancing the performance and versatility of MMFs, contributing to the sector's positive and enduring growth trajectory.

#### Government Initiatives:

The Indian government continues to bolster the textile industry through a series of strategic initiatives, focusing on manufacturing incentives, infrastructure development, trade facilitation, and sustainability.

#### Budget Allocation and key schemes:

The Union Budget for 2024-25 allocated ₹4,417 crore to the textile sector, marking a 28% increase from the



previous year's revised estimate of ₹3,443 crore. This allocation underscores the government's focus on revitalizing the industry through various schemes and programs.

#### **Production-Linked Incentive (PLI) Scheme:**

The PLI scheme for textiles is being implemented nationwide, promoting the production of MMF apparel, MMF fabrics, and technical textile products to achieve size and scale and become competitive. The government has approved over ₹10,000 crore for the PLI scheme, with plans to extend it to the garments sector.

#### **Rebate of State and Central Taxes and Levies (RoSCTL):**

The RoSCTL scheme has been extended until March 31, 2026, providing rebates on central and state taxes for exporters of garments and made-up products, thereby enhancing the international competitiveness of the textile sector.

#### **PM MITRA Parks Scheme:**

The government has approved the establishment of seven Mega Integrated Textile Region and Apparel (PM MITRA) Parks across India, aiming to boost jobs, exports, and investments. Each park is expected to create approximately 300,000 jobs and will be equipped with modern facilities.

#### **National Technical Textiles Mission (NTTM):**

Launched in 2020, the NTTM aims to make India a global leader in technical textiles with a budget of ₹1,480 crore until 2025-26. The mission supports research, market development, exports, and skill development in the technical textiles sector.

#### **SAATHI Initiative:**

The SAATHI (Sustainable and Accelerated Adoption of Efficient Textile Technologies to Help Small Industries) initiative is being implemented pan-India by EESL and the Office of the Textile Commissioner. It aims to promote sustainable textile production by providing energy-efficient equipment to powerloom units.

**Cotton Procurement and Technology Upgradation:** The government has allocated ₹600 crore for cotton procurement under the Price Support Scheme, ensuring fair prices for cotton farmers. The Amended Technology Upgradation Fund Scheme (ATUFS) has been allotted ₹635 crore to facilitate the adoption of modern machinery and technology in the textile sector.

#### **Sustainability and Renewable Energy Initiatives:**

In alignment with global sustainability goals, India is encouraging textile units to adopt renewable energy sources, such as rooftop solar installations and biomass boilers. These measures aim to reduce the industry's carbon footprint and promote environmentally friendly practices.

#### **Trade Agreements and Foreign Direct Investment (FDI):**

India continues to engage in Free Trade Agreement (FTA) negotiations with countries like the EU, UK, and Canada to enhance market access for textile exports. The liberalized FDI policy, allowing up to 100% investment under the automatic route, has attracted significant foreign investments, further strengthening the sector.



#### **Industry Growth Roadmap:**

The government is deliberating on a roadmap to achieve the ambitious targets of \$250 billion in textile production and \$100 billion in exports by 2030, focusing on infrastructure expansion, foreign investment, and sustainability.

#### **Core Competencies and Growth Strategies**

##### **Leveraging Robust Manufacturing Infrastructure and Technological Excellence**

Sarla operates cutting-edge manufacturing units in Silvassa, Vapi, and Dadra, backed by a legacy of over three decades. The company's expertise spans a broad range of synthetic yarns, including polyester and nylon textured yarns, twisted yarns, dyed yarns, covered yarns, high-tenacity yarns, barre-free nylon yarns, and specialized sewing threads tailored for specific applications. Notably, Sarla is distinguished as the only Indian manufacturer of Nylon 66 and a unique producer of pure nylon.

In FY25, Sarla introduced COMFILO, India's first barre-free nylon yarn, specifically designed to eliminate

fabric bareness and improve dye uniformity in circular knitting. Sarla's strength lies in its well-organized operations, strong customer base, and vertically integrated nylon manufacturing capabilities. The company specializes in fulfilling custom orders, handling volumes ranging from hundreds to thousands of kilograms.

During the year, Sarla invested INR 25 crore in infrastructure and innovation, in addition to INR 100 crore invested over the previous five years. These investments have significantly increased capacity and modernized facilities. The implementation of SAP has streamlined operations, providing critical insights through a user-friendly interface. Detailed machine-level data on breakdowns, spare parts, and replacements allow for enhanced evaluation of profitability. This data-driven approach has led to reduced yarn breakage, increased machine speed, improved product quality, higher productivity, and better machine uptime. Sarla's expansion strategy aligns closely with robust order visibility, ensuring efficient operations and sustainable growth. Their focus on innovation, efficiency, and scalability reinforces their leading position in the textile industry.

#### **Driving Strategic Transformation Through High-Value Product Diversification**

Sarla began as a manufacturer of commoditized yarns primarily for the apparel sector. Over time, the company strategically transitioned toward producing high-tenacity nylon and polyester yarns, along with other specialty yarns designed for sectors such as sportswear, military gear, and specialized sewing threads. Currently, approximately 50% of the company's product portfolio consists of these value-added offerings, demonstrating Sarla's commitment to evolving industry demands and delivering high-performance, durable yarn solutions.

The company has launched operations for producing high-tenacity nylon (6 and 6.6) flat and twisted yarns. In FY25, the introduction of COMFILO marked a significant milestone, addressing common fabric defects and ensuring a flawless finish. COMFILO is elevating the quality of athleisure, sportswear, fashion (Taffeta), and circular knitting textiles. This initiative is part of Sarla's strategy to shift revenue generation towards high-margin, value-added products. The full benefits of this expansion are expected to be realized in FY26 as production scales.

Sarla is also expanding its Nylon 6 and Nylon 66 capacities to meet rising demand. Nylon yarn accounted for 42% of the company's sales volume last year and is projected to reach approximately 60% in the coming years. With a strong brand reputation, Sarla anticipates swift capacity utilization, translating to increased sales volumes, better realizations, and improved margins. The company

continues to focus on developing biodegradable or recycled polymers, including agriculture waste-based alternatives to reduce fossil fuel usage and enhance environmental sustainability.

#### **Capitalizing on Domestic Market Evolution for Strategic Expansion**

India's market is undergoing a transformation, characterized by a shift in consumer behavior favoring premium products and lifestyle upgrades. This trend has positively impacted Sarla, with the Indian market contributing 44% of total revenue in the past fiscal year. Projections indicate this figure could rise to 55-60% over the next few years, reflecting significant growth potential.

India's youthful demographic, with a median age of around 28, presents strong economic potential. The demand for premium clothing, athleisure wear, and frequent wardrobe updates is on the rise. As a leading manufacturer of elastic, socks, and sewing threads, particularly for innerwear, Sarla is well-positioned to capitalize on this trend. The company is directing its value-added yarns towards the domestic market to align with changing consumer preferences.

To support this strategy, Sarla plans to expand its domestic operations by adding more sales personnel in the coming years. This move is aimed at enhancing market penetration and driving 15-20% annual sales growth in India. The company targets achieving a 10% share in the overall Indian market, with an anticipated 4-5% improvement in operating margins driven by increased domestic sales.

#### **Expanding Product Applications Across High-Growth Industries**

Synthetic fibers such as nylon and polyester are increasingly favored over natural alternatives due to their strength, durability, consistency, and adaptability. Their inherent properties—enhanced stretch, moisture management, and color retention—make them suitable for diverse sectors including sportswear, medical textiles, automotive, and home furnishings.

##### **Sarla's yarns cater to a range of applications:**

- Polyester textured yarns find use in furniture upholstery, automotive upholstery, narrow fabrics cum tapes.
- Textured sewing threads find application in apparel, swim wear, lingerie, fleece goods, towels cum washcloths, tablecloths cum placemats, sheets and pillowcases
- Nylon yarns excel in babywear for their moisture-wicking and structural durability.
- High-tenacity polyester yarns find use in airbags, seatbelts, and footwear due to superior strength.



- Polyester stretch yarns are widely used in socks and sportswear for comfort and longevity.
- Covered yarns are essential in mattress manufacturing, improving comfort and durability in advanced mattress designs.
- Barre free nylon yarns elevates the quality of athleisure, sportswear, fashion (Taffeta), and circular knitting textiles.

Sarla is also tapping into the fast-evolving medical textile segment, leveraging its capabilities to develop products for implants, catheters, and orthopedic applications. While India's synthetic fiber consumption per capita remains below the global average, rising consumer awareness, disposable income, and lifestyle changes are expected to drive demand, especially for nylon products. Sarla's domestic marketing efforts have already shown positive traction, setting the stage for increased market penetration.

#### Sustaining Global Export Performance Despite External Challenges

Despite global challenges such as geopolitical tensions, inflation, supply chain disruptions, and shifting consumer sentiment, Sarla has maintained a strong presence in international markets. Export sales accounted for 55.7% of revenue in FY25, down slightly from 57.1% in FY24. Sarla is a trusted supplier to leading global brands, either directly or through intermediaries. The company actively explores new markets, supported by its strong reputation for product quality, reliability, and value-driven pricing. Sarla operates in 62 countries and serves over 350 clients, ensuring a diversified revenue base and reducing dependency on any single market. Participation in global exhibitions and trade events continues to enhance Sarla's international visibility and brand equity. These platforms are instrumental in showcasing product innovations and strengthening customer relationships. Nylon 66, exclusively

designated for export, underscores Sarla's premium product positioning and contributes to higher revenue realization.

#### Building Enduring Client Relationships Through a Collaborative Approach

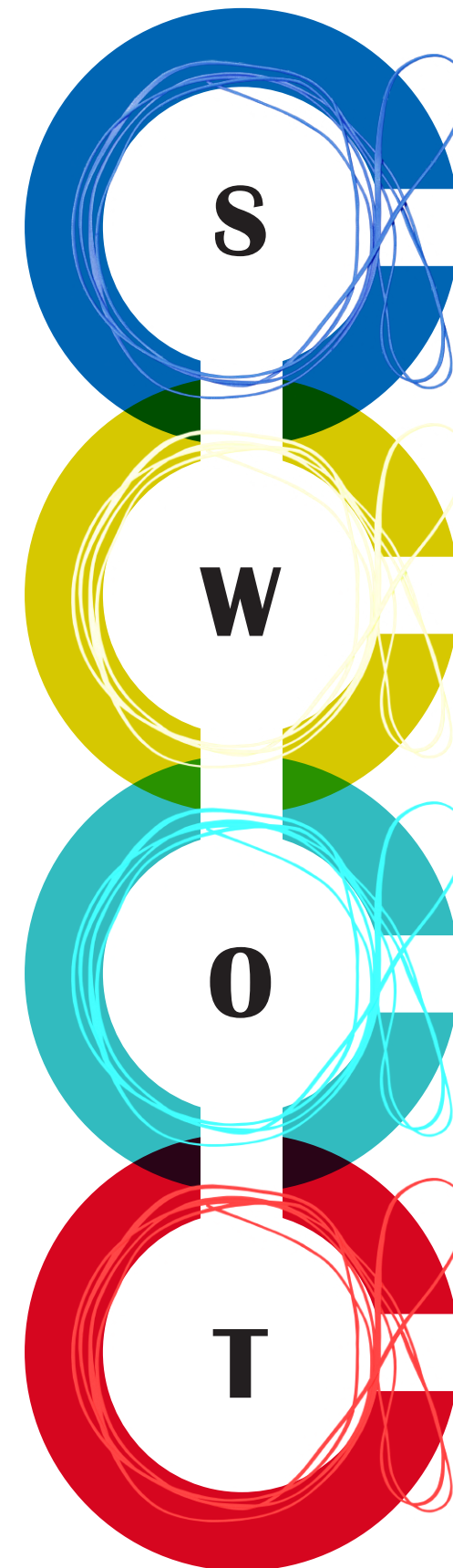
Sarla's business model is rooted in long-term client partnerships rather than transactional relationships. By working closely with customers to integrate into their supply chains and support their growth, Sarla has cultivated exceptional client loyalty. The company retains 100% of its customer base, with 90% of clients placing repeat orders. The motto, "Once a Sarla customer, always a Sarla customer," reflects the trust and reliability built over time. Sarla's technology-intensive products integrate seamlessly into customer operations, supported by a proactive and technically focused marketing approach. The company emphasizes product value over price, maintaining ongoing dialogues about product performance and business growth strategies. This client-centric philosophy reinforces Sarla's position as a dependable partner in achieving mutual success.

#### Maintaining Strong Financial Discipline to Support Sustainable Growth

In the capital-intensive textile industry, Sarla has demonstrated strong financial management, maintaining a net cash surplus and achieving an operating margin of 25%. With a prudent debt-equity ratio of 0.33x, the company's balanced approach to capital expenditure has strengthened its financial position while supporting incremental growth. Sarla has strategically utilized both debt and equity to fund expansion while preserving liquidity and optimizing resource use. Its sound working capital management practices contribute to financial resilience and sustainability. These disciplined financial strategies support Sarla's identity as an "Untextile" company, focused on long-term value creation and stable, scalable growth.



## SWOT ANALYSIS



#### Strengths

- Integrated Operations: End-to-end vertical integration enhances production efficiency and cost control.
- Diverse Product Portfolio: A wide range of offerings caters to multiple sectors, ensuring revenue diversification.
- Customer-Centric Approach: Strong emphasis on client needs has cultivated long-term customer relationships and loyalty.
- Innovation Leadership: As a first mover in high tenacity Nylon 6 and Nylon 66, the company enjoys a competitive edge and improved margins.
- Proven Industry Expertise: Over 30 years of experience contribute to operational excellence and deep market understanding.
- Focus on Value-Added Products: Emphasis on higher-margin, value-added offerings supports financial performance and profitability.

#### Weaknesses

- Industry Fragmentation: Operating in a fragmented market with intense competition limits pricing power.
- Sustainability Gap: Limited initiatives in sustainable synthetic fiber production may hinder future relevance.
- Raw Material Dependency: Exposure to volatile petrochemical prices impacts cost structures.
- Capital Intensity: High capital expenditure requirements constrain financial flexibility and scalability.

#### Opportunities

- Technical Textiles Growth: Increasing demand in automotive, healthcare, and sports sectors opens up new markets.
- Shift Towards Sustainability: Rising consumer preference for eco-friendly fibers presents avenues for innovation.
- Domestic Market Expansion: Accelerated growth in the Indian synthetic textile industry offers scale-up potential.
- Policy Support: Government incentives and policies enhance industry attractiveness and investor confidence.
- Global Demand for Recycled Fibers: Expanding international interest in recycled synthetics fuels export opportunities.
- Brand Collaborations: Strategic tie-ups with fashion brands enable entry into premium segments.
- E-commerce Growth: Rapid digital penetration facilitates broader market reach and direct-to-consumer engagement.

#### Threats

- Competitive Pressures: Heightened rivalry and price wars can erode margins.
- Regulatory Risks: Policy shifts and compliance requirements can disrupt operations.
- Environmental Scrutiny: Rising concerns over the ecological impact of synthetic fibers may lead to reputational risks.
- Market Volatility: Shifts in fashion trends and economic cycles affect demand consistency.
- Consumer Shift to Natural Fibers: Preference for organic and natural alternatives threatens market share.
- Emerging Technologies: Advancements in alternative materials could render existing offerings obsolete.



Particulars	FY 2024-25	FY 2023-24	Changes (%)
Debtors Turnover	4.58	5.00	-8.40%
Inventory Turnover	5.35	4.84	10.54%
Debt Service Coverage Ratio	0.82	0.71	15.49%
Current Ratio	1.18	1.44	-18.03%
Debt Equity Ratio	0.33	0.28	17.86%
Net Profit Margin (%)	11.76%	9.72%	20.99%
Return on Net Worth (%)	13.44%	11.00%	22.18%

**Revenue:**

The revenue for FY 2024-25 stands at INR 423.67 crore, reflecting a growth of 10.86% compared to INR 382.17 crore in FY 2023-24. Despite global uncertainties and pressure on realisations, the company has delivered a strong performance. This growth is primarily driven by a 10.63% increase in sales volume, rising from 12.411 lakh tons in FY 2023-24 to 13.730 lakh tons in FY 2024-25, while realisations remained stable.

**EBITDA and EBITDA Margin:**

EBITDA rose by 34.5%, increasing from INR 78.59 crore to INR 105.68 crore, reflecting improved operational performance and effective cost control. The EBITDA margin improved significantly by 438 basis points, rising from 20.6% to 24.94%, indicating stronger profitability from core operations.

**PAT and PAT Margin:**

Profit After Tax (PAT) registered a 32.95 % increase, rising from INR 37.48 crore in FY 2023-24 to INR 49.83 crore in FY 2024-25, driven by operational efficiency and cost optimization. The PAT margin improved from 9.72% to 11.76%, a notable increase of 204 basis points.

**Debtors Turnover:**

The debtors turnover ratio declined slightly from 5.00x to 4.58x, representing an 8.40% decrease

due to relaxation in the credit period offered to customers.

**Inventory Turnover:**

The inventory turnover ratio improved by 10.54%, increasing from 4.84x to 5.35x, primarily due to enhanced inventory management and faster conversion of inventory into sales.

**Current Ratio:**

The current ratio declined from 1.44x to 1.18x, an 18.03% drop, reflecting a temporary reduction in short-term liquidity. However, the ratio remains within a comfortable range.

**Debt Service Coverage Ratio (DSCR):**

DSCR improved by 15.49%, increasing from 0.71x to 0.82x, signifying a stronger capability to meet debt servicing obligations.

**Debt-to-Equity Ratio:**

The debt-to-equity ratio increased slightly from 0.28x to 0.33x, a rise of 17.86%. Despite the increase, the ratio remains low, highlighting a conservative approach to financial leverage.

**Return on Net Worth (RoNW):**

RoNW increased by 22.18%, rising from 11.00% to 13.44%, reflecting improved profitability and more efficient use of shareholder equity.



## DIRECTORS' REPORT

For the Financial Year ended March 31, 2025

To

The Members,

Your directors are pleased to present the Thirty Second (32<sup>nd</sup>) Annual Report along with the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2025 ("the year under review").

### 1. Financial Results

The summary of the Company's Standalone and Consolidated Financial Performance for the financial year ended March 31, 2025, is as under:

(Rs in Lakhs)

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from Operations	42,366.67	38,217.12	42,710.09	38,326.12
Other Income	2,439.45	2,039.30	2,518.92	2,093.94
<b>Total Income</b>	<b>44,806.12</b>	<b>40,256.42</b>	<b>45,229.01</b>	<b>40,420.06</b>
Profit Before Interest, Depreciation & Tax	10,567.62	7,859.30	11,452.46	7,878.46
Finance Cost	1,064.42	581.00	1,064.42	581.00
Depreciation & amortization expenses	2,431.86	2,329.55	2,502.16	2,789.21
<b>Profit before Tax &amp; Exceptional Items</b>	<b>7071.34</b>	<b>4,948.75</b>	<b>7,885.88</b>	<b>4,508.26</b>
Exceptional Items- Income / (Expenses)	(440.00)	-	-	-
<b>Profit before Tax</b>	<b>6,631.34</b>	<b>4,948.75</b>	<b>7,885.88</b>	<b>4,508.26</b>
Less: Provision for Tax				
Current Tax	2,088.16	1,135.81	2,091.09	1,138.50
Deferred Tax	(458.00)	79.78	(458.00)	79.78
Adjustments for earlier years	16.86	17.92	16.86	17.92
<b>Net Profit for the year</b>	<b>4,984.31</b>	<b>3,715.24</b>	<b>6,235.92</b>	<b>3,272.06</b>
Other Comprehensive Income	(1.45)	32.63	(81.09)	48.50
<b>Total Comprehensive Income</b>	<b>4982.86</b>	<b>3,747.87</b>	<b>6154.84</b>	<b>3,320.56</b>
Earning per share				
Basic and Diluted earning per share- Before Exceptional Item	6.50	4.45	7.47	3.94
Basic and Diluted earning per share- After Exceptional Item	5.97	4.45	7.47	3.94

### 2. Performance Overview

During the year under review, SARLA continued to strengthen its position as a trusted yarn supplier to leading international brands, leveraging a balanced approach of direct sales and established intermediary networks. In FY 2024-25, approximately 72 % of the Company's revenue was generated from long-standing clients with relationships extending beyond five years—underscoring its commitment to customer-centricity and quality-driven growth.

This performance was supported by a diversified product portfolio, robust customer relationships, and a favorable policy environment, including supportive tariff structures that enhanced India's competitiveness as a sourcing hub. Global sourcing dynamics continued to evolve in response to tariff escalations and geopolitical realignments, positioning India as a preferred destination due to its stable policy framework and integrated manufacturing capabilities.



### Performance Highlights

During the year under review, the Company recorded Standalone Revenue from Operations of ₹42,366.67 Lakhs for FY 2024-25 as against ₹ 38,217.12 Lakhs in FY 2023-24, reflecting a change of 10.86% primarily attributable to prevailing market conditions and global demand fluctuations.

The Consolidated Revenue from Operations for FY 2024-25 amounted to ₹42,710.09 Lakhs, as against ₹ 38,326.12 Lakhs in FY 2023-24, registering a year-on-year increase of 11.44%.

The Value of Exports stood at ₹ 22,793.54 Lakhs for FY 2024-25, as compared to ₹ 21,071.50 Lakhs for the FY 2023-24 on Standalone and Consolidated basis.

Profit before Interest, Depreciation and Tax (PBITD) was ₹ 10,567.61 Lakhs for the year, as compared to ₹ 7,859.30 Lakhs in the previous financial year on a Standalone Basis.

Profit before Interest, Depreciation and Tax (PBITD) was ₹ 11,452.45 Lakhs for the year, as compared to ₹ 7,878.46 Lakhs in the previous financial year on a Consolidated Basis.

### 3. Dividend

Your directors are pleased to recommend a final dividend of ₹ 3.00 (300%) per Equity Share of face value ₹1.00 each for the financial year ended March 31, 2025.

The Board has recommended a Final Dividend for the financial year ended March 31, 2025, after careful consideration of the Company's profitability, internal capital requirements for ongoing expansion projects, and its overall financial position, with a view to maintaining a balanced approach to rewarding shareholders.

The proposed dividend, if approved by the members at the ensuing Annual General Meeting, will result in a total outflow of ₹1079.82 Lakhs (including applicable taxes, if any).

The Company has also received letters from all shareholders forming part of the Promoter and Promoter Group, voluntarily waiving their right to receive the said dividend."

### 4. Transfer to Reserves

The Board of Directors has not proposed any transfer to the General Reserve for the financial year ended March 31, 2025. The entire earnings for the year under review, after payment of the dividend, are proposed to be retained in the Profit & Loss Account to support future

business expansion and strategic initiatives. This approach will strengthen the Company's financial position and enhance its ability to invest in growth opportunities, including capacity expansion, technological upgradation, and potential strategic investments.

### 5. Share Capital

There has been no change in the Share Capital of the Company during the year under review.

As on March 31, 2025 -

- ❑ The authorized share capital of the Company stood at ₹1,000.00 Lakhs, divided into 10,00,00,000 Equity Shares of ₹1/- each.
- ❑ The paid-up Equity Share Capital of the Company stood at ₹835.03 Lakhs, comprising 8,35,03,000 Equity Shares of face value ₹1/- each, fully paid-up.

The Company has not issued any Equity Shares with differential voting rights, nor has it issued any shares (including sweat equity shares) to its employees under any scheme during the year under review.

However, the **Sarla Performance Fibers Limited Employee Stock Option Plan (ESOP) Scheme 2025** was approved by the Board of Directors at its meeting held on **January 30, 2025**. The said scheme was subsequently approved by the Members of the Company through a **Postal Ballot vide Notice dated January 30, 2025**, in accordance with the provisions of the Companies Act, 2013 and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Scheme aims to reward and retain eligible employees of the Company and its present and future subsidiaries.

No options have been granted under the Scheme as on March 31, 2025.

### 6. Deposits under Chapter V of Companies Act, 2013

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014. Accordingly, the disclosures required under Chapter V of the Companies Act, 2013 and the Rules made thereunder are **not applicable**.

Further, as on the financial year ended March 31, 2025, there were no deposits remaining unpaid or unclaimed, nor any default in repayment of deposits or payment of interest thereon.

### 7. Promoters

Incorporated in 1993, your Company was established as a family-driven enterprise and has since evolved into a professionally managed, publicly listed entity. **Sarla Performance Fibers Limited** today exemplifies a harmonious blend of promoter stewardship, professional governance, and the rigor of listed company compliance, earning industry-wide respect for its focus on quality, integrity, and long-term sustainability.

**As on March 31, 2025, the Promoters of the Company are:**

- ❑ Mrs. Sarladevi Madhusudan Jhunjunwala
- ❑ Mr. Krishna Madhusudan Jhunjunwala

Mr. Krishna Madhusudan Jhunjunwala continues to hold a key promoter position and plays an active role in the strategic oversight and value-driven growth of the Company.

### 8. Change in the Nature of Business

During the year under review, there was no change in the nature of business of the Company. Your Company continues to operate in its core sectors of Textiles, Wind Power Generation, and Manufacturing, maintaining its strategic focus and operational efficiency in each of these segments.

The Company remains engaged in the production and global export of a diverse range of products, including High-Performance Yarn, Textured Polyester Yarn, Textured Nylon Stretch Yarn, High-Bulk Textured Polyester Yarn, Sewing Threads, Specialty Sewing Threads, High-Tenacity Covered Dyed Yarns and Threads, and Barre-Free Nylon Yarn. These products cater to both domestic and international markets and have been integral to reinforcing the Company's reputation as a quality-oriented and innovation-driven player in the global textile industry.

### 9. Subsidiaries, Joint Ventures and Associate Companies

As on March 31, 2025, the Company has a total of six overseas subsidiaries (both direct and indirect), comprising two wholly owned subsidiaries and four step-down subsidiaries, along with three overseas Joint Ventures.

The Company does not have any Indian Subsidiary, Joint Venture, or Associate Company. There has been no material change in the nature of business of the subsidiaries and joint ventures during the year under review.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the Annual Report

of the Company, which includes both Standalone and Consolidated Financial Statements, is available on the Company's website at [www.sarlafibers.com](http://www.sarlafibers.com). As per the applicable provisions, the Annual Financial Statements of each of the subsidiary companies are also hosted on the same website and are not being annexed to this Annual Report. Shareholders desirous of obtaining a copy of the audited financial statements of the subsidiary companies may request the same by writing to the Company Secretary & Compliance Officer.

The Policy for Determining Material Subsidiaries, as approved by the Board of Directors pursuant to Regulation 16(1)(c) of the SEBI (LODR) Regulations, 2015, is also available on the Company's website and can be accessed at: <https://www.sarlafibers.com/wp-content/uploads/2024/01/12.-Policy-for-Determining-Material-Subsidiary.pdf>

Further, a statement containing the salient features of the financial statements of subsidiaries, associates, and joint ventures in **Form AOC-1**, as prescribed under the Companies Act, 2013, forms part of this Board Report as Annexure I. The details of subsidiaries and joint ventures are also provided in the Annual Return of the Company, available on the Company's website.

### 10. Companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the Financial Year.

During the financial year under review, no company has become or ceased to be a Subsidiary, Joint Venture, or Associate Company of Sarla Performance Fibers Limited.

The structure of subsidiaries and joint ventures remained unchanged throughout the year, with continued operations through the existing overseas entities.

### 11. Consolidated Financial Statement

The Consolidated Financial Statements of the Company and its subsidiaries for the financial year ended March 31, 2025 have been prepared in accordance with the applicable provisions of the Companies Act, 2013, including the Companies (Accounts) Rules, 2014, and as per the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The consolidated results also comply with the disclosure requirements under Regulation 33 of the SEBI (Listing Obligations and Disclosure



Requirements) Regulations, 2015 ("SEBI Listing Regulations"). These statements present the consolidated performance of the Company along with its Subsidiaries, Joint Ventures, and Associates, as applicable.

In accordance with Regulation 34 of the SEBI Listing Regulations, the Audited Consolidated Financial Statements, along with the Independent Auditors' Report thereon, form an integral part of this Annual Report and are also made available on the Company's website at [www.sarlafibers.com](http://www.sarlafibers.com).

## 12. Particulars of Loans, Guarantees and Investments

During the year under review, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of loans, guarantees and investments.

Further details regarding loans, guarantees and investments, as required under Section 186 of the Act and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the notes to the financial statements.

## 13. Directors

As on **March 31, 2025**, the Board of Directors of the Company comprised **6 (six) Directors**, including **3 (three) Executive Directors** and **3 (three) Non-Executive Independent Directors**, with **1 (one) Woman Director** in compliance with Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015.

Appointment, Re-appointment, Cessation and Ratification during the Year under Review

### a. Cessation of Mr. Parantap Dave (DIN: 00019472)

In accordance with the provisions of Section 149(10) of the Companies Act, 2013, Mr. Parantap Dave, Independent Director, completed his second consecutive term of five years on August 08, 2024. The Board places on record its deep appreciation for the valuable insights, support, and contributions made by Mr. Dave during his tenure with the Company.

### b. Resignation of Ms. Shreya Desai (DIN: 08041995)

Ms. Shreya Desai, Independent Director, tendered her resignation from the Board with effect from September 30, 2024. The Board expresses its gratitude for her contribution and the guidance she

provided during her tenure as a Director of the Company.

### c. Re-appointment of Mr. Paulo Manuel Castro (DIN: 08459844)

The Board, at its meeting held on May 10, 2024, approved, subject to shareholder approval at the 31st Annual General Meeting, the re-appointment of Mr. Paulo Manuel Castro as a Non-Executive Independent Director for a second term of five years, from May 23, 2024, to May 24, 2029, pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and applicable provisions of SEBI LODR Regulations. The shareholders, at the AGM, approved this re-appointment by an overwhelming majority.

### d. Re-designation and Re-appointment of Mr. Krishna Jhunjunwala (DIN: 09507192)

The Board, at its meeting held on May 10, 2024, approved the re-designation and re-appointment of Mr. Krishna Jhunjunwala as the Chairman and Managing Director of the Company for a term of five years, effective from October 1, 2024, to September 30, 2029, along with approval of remuneration for the period from October 1, 2024, to September 30, 2027, in accordance with Sections 196, 197, 198, and 203 of the Companies Act, 2013 and Schedule V thereto. The shareholders approved this re-designation and re-appointment at the 31st Annual General Meeting.

### e. Re-designation of Mr. Sachin Shashikant Abhyankar (DIN: 02760746)

The Board, at its meeting held on June 24, 2024, approved, subject to shareholder approval at the 31st Annual General Meeting, the re-designation of Mr. Sachin Shashikant Abhyankar as a Non-Executive Independent Director, for a term of five (5) years commencing with effect from June 24, 2024, to June 23, 2029. The shareholders, at the AGM, approved this re-designation by an overwhelming majority.

### f. Ratification of Appointment of Mr. Bharat K. Jhamvar (DIN: 00211297)

The Members of the Company, at the 30th Annual General Meeting held on September 21, 2023, considered and approved the appointment of Mr. Bharat K. Jhamvar as a Non-Executive Independent

Director, effective from August 10, 2023, for a term of 5 (five) years up to August 9, 2028, not liable to retire by rotation.

However, pursuant to Regulation 25(2A) of the SEBI (LODR) Regulations, 2015, the appointment of an Independent Director of a listed entity is required to be approved by way of a Special Resolution. Accordingly, the Board recommended the ratification of Mr. Bharat K. Jhamvar's appointment by way of a Special Resolution, as set out in Item No. 6 of the Notice of the 31st Annual General Meeting. The shareholders, at the AGM, ratified the appointment of Mr. Jhamvar by a special resolution.

### Retirement by Rotation

In accordance with the provisions of **Section 152** of the Companies Act, 2013 and the Articles of Association of the Company, **Ms. Neha Jhunjunwala** (DIN: 07144529), **Executive Director**, retires by rotation at the ensuing **32nd Annual General Meeting** of the Company. Being eligible, he offers himself for re-appointment.

The disclosures required pursuant to **Regulation 36** of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the **Secretarial Standards on General Meeting** ('SS-2') are provided in the **Notice** of the AGM, which forms part of the Annual Report.

**Ms. Neha Jhunjunwala** is not debarred from holding the office of Director pursuant to any **Order** issued by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India, or any other such authority.

The above proposal for re-appointment form part of the **Notice** of the **32nd Annual General Meeting** of the Company, and the relevant **Resolution** is recommended for members' approval.

### Declaration of Independence

Pursuant to the provisions of Section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) read with Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Independent Directors of the Company have submitted their declarations confirming that:

- ☐ They meet the criteria of independence as laid down under the Companies Act, 2013 and SEBI Listing Regulations, as amended from time to time.

- ☐ They are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair their ability to discharge their duties independently.

Further, in compliance with Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, all Independent Directors have confirmed registration with the Independent Directors' databank maintained by the Indian Institute of Corporate Affairs (IICA) and have completed the online proficiency self-assessment test, wherever applicable.

The Board of Directors has taken on record the declarations submitted by the Independent Directors and, in its opinion, the Independent Directors fulfill the conditions specified in the Companies Act, 2013 and SEBI Listing Regulations and are independent of the management.

The Board further affirms that all Independent Directors possess integrity, relevant expertise, experience, and proficiency as required under applicable laws and corporate governance standards.

Letters of appointment/re-appointment have been issued to the Independent Directors in compliance with the provisions of the Companies Act, 2013, and in accordance with the terms and conditions of appointment applicable to Independent Directors of Sarla Performance Fibers Limited (the 'Company'). The same are available on the Company's website at: <https://www.sarlafibers.com/wp-content/uploads/2024/01/2.Terms-Conditions-for-appointment-of-ID.pdf>

### Familiarization Program for Independent Directors

In accordance with the requirements of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has conducted familiarization programs for Independent Directors to enable them to understand their roles, rights, responsibilities in the Company, the nature of the industry in which the Company operates, and the business model of the Company.

The details of the familiarization program, including the number of sessions and hours spent by Independent Directors, are provided in the Corporate Governance Report forming part of this Annual Report and are also available on the Company's website.



**Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the performance of its Committees, and of the individual Directors.

The evaluation process was conducted based on criteria derived from the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. The evaluation covered various aspects such as Board composition and structure, effectiveness of Board processes, Board culture, dynamics, and functioning, as well as the performance of individual Directors and the Committees of the Board.

The performance of the Board, its Committees, and individual Directors, including the Chairman, was found to be satisfactory. The Independent Directors expressed satisfaction with the overall functioning and effectiveness of the Board and its Committees, which demonstrated a high level of commitment, engagement, and governance.

**14. Key Managerial Personnel**

Pursuant to the provisions of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on the date of this Report are:

- ❑ Mr. Krishna Madhusudan Jhunjunwala, Chairman & Managing Director  
Mr. Krishna Madhusudan Jhunjunwala was re-designated and re-appointed as the Chairman and Managing Director of the Company with effect from October 1, 2024.
- ❑ Mr. Kanav Jhunjunwala, Whole-Time Director  
Mr. Kanav Jhunjunwala was re-designated from Executive Director to Whole-Time Director of the Company with effect from April 25, 2025, i.e., the date of the Board Meeting in which this Report is approved.
- ❑ Mr. Kayvanna Shah, Chief Financial Officer  
Mr. Kayvanna Shah was appointed as the Chief Financial Officer of the Company with effect from June 24, 2024, in place of Mr. Mukesh Deopura, who resigned with effect from March 26, 2024.

- ❑ Mr. Kapil Raj Yadav, Company Secretary & Compliance Officer

Mr. Kapil Yadav is proposed to be appointed as the Company Secretary and Compliance Officer of the Company with effect from April 25, 2025, i.e., the date of the Board Meeting in which this Report is approved.

**During the year under review and as on the date of this Report, the following changes occurred in the Key Managerial Personnel:**

**Chief Financial Officer (CFO)**

- ❑ Mr. Kayvanna Shah was appointed as CFO with effect from June 24, 2024.

**Company Secretary and Compliance Officer (CS)**

- ❑ Ms. Radhika Sharma resigned with effect from September 13, 2024.
- ❑ Ms. Meena Bharat Jain was appointed with effect from December 10, 2024, and subsequently resigned with effect from March 31, 2025.
- ❑ Mr. Kapil Raj Yadav was appointed with effect from April 25, 2025.

**15. Meetings of the Board**

During the Financial Year ended March 31, 2025, seven (7) meetings of the Board of Directors were held on the following dates: April 27, 2024; May 10, 2024; June 24, 2024; July 29, 2024; October 28, 2024; December 10, 2024; and January 30, 2025.

The requisite quorum was present at all the meetings. The interval between any two consecutive Board meetings did not exceed one hundred and twenty (120) days, thereby complying with the requirements of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the applicable provisions of Secretarial Standard-1 (SS-1) issued by the Institute of Company Secretaries of India (ICSI).

Further details regarding the composition of the Board, attendance of Directors at the Board meetings, and other relevant disclosures are provided in the Corporate Governance Report, which forms part of this Annual Report.

**16. Committees of Board**

Pursuant to the provisions of the Companies Act, 2013, the rules framed thereunder, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company

has constituted the following statutory and non-statutory committees of the Board:

- ❑ Audit Committee
- ❑ Nomination and Remuneration Committee
- ❑ Corporate Social Responsibility Committee
- ❑ Risk Management Committee
- ❑ Stakeholders' Relationship Committee
- ❑ Finance and Investment Committee\*

During the year under review, all recommendations made by the aforementioned Committees were accepted and approved by the Board.

\* The Finance and Investment Committee was dissolved with effect from May 10, 2024, and was reconstituted again in the Board meeting dated April 25, 2025. Additionally, during the year, the remaining Committees were reconstituted to align with the changes in the managerial structure of the Company.

Details of the composition, terms of reference, and meetings of each Committee are provided in the Corporate Governance Report, which forms part of this Annual Report. The current structure of the reconstituted Committees is also available on the Company's website at <https://www.sarlafibers.com/>

**17. Listing of Securities**

As on the date of this Report, the Equity Shares of the Company are listed on the following Stock Exchanges:

- ❑ BSE Limited
- ❑ National Stock Exchange of India Limited

The Company has duly paid the annual listing fees for the financial year 2024-25 to both the Stock Exchanges where its equity shares are listed.

**18. Internal Financial Control System and their adequacy**

The Company has in place adequate internal financial controls with reference to financial statements. These controls are commensurate with the size, scale, and complexity of its operations and are designed to provide reasonable assurance regarding the reliability of financial reporting, compliance with applicable laws and regulations, and the safeguarding of assets.

The operating effectiveness of these internal financial controls is periodically reviewed by

the management and the internal auditors, and corrective actions, if any, are undertaken promptly.

Further details on the internal financial control systems and their adequacy are provided in the Management Discussion and Analysis Report, which forms an integral part of this Annual Report.

**19. Auditors****a) Statutory Auditors**

The Members of the Company at the 29<sup>th</sup> Annual General Meeting ("AGM") had re-appointed **M/s. CNK & Associates LLP, Chartered Accountants, Mumbai** (Firm Registration No.: 101961W) as the **Statutory Auditors** of the Company for a second term of five (5) consecutive years, to hold office from the conclusion of the 29<sup>th</sup> AGM until the conclusion of the 34<sup>th</sup> AGM of the Company.

Pursuant to the MCA Notification dated May 7, 2018, the requirement to ratify the appointment of Statutory Auditors at every AGM has been dispensed with and hence, no such resolution is being proposed at the ensuing 32<sup>nd</sup> AGM.

M/s. CNK & Associates LLP have issued their reports on the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2025. The Auditor's Report does not contain any qualification, reservation, or adverse remark. The Notes to the Financial Statements referred to in the Auditor's Report are self-explanatory and do not call for any further explanation or comments by the Board.

The Auditors have also confirmed compliance with the applicable RBI regulations on downstream investments, and no qualifications were made in this regard.

**b) Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed CS Swati Gupta, Practicing Company Secretary (C.P. No. 12245), to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2025.



The Secretarial Audit Report in Form MR-3 pursuant to Regulation 24A of the SEBI Listing Regulations for the year ended March 31, 2025, are annexed as 'Annexure - VI' to this Report.

There were no qualifications, reservations, observations, or adverse remarks in the Secretarial Auditor's reports.

The Company does not have any material subsidiary as per the definition under Regulation 16(1)(c) of the SEBI Listing Regulations.

#### c) Cost Auditor:

The Company has duly prepared and maintained cost records as prescribed under Section 148(1) of the Companies Act, 2013 for the financial year ended March 31, 2025.

The Cost Audit Report for the financial year 2024-25 is in progress and the report will be filed with the Ministry of Corporate Affairs, Government of India, within the statutory timeline.

The Board of Directors, on recommendation of the Audit Committee, had re-appointed **M/s. Kasina & Associates, Cost Accountants** (Firm Registration No.: 104088), as **Cost Auditors** of the Company to conduct the audit of cost records for the financial year 2024-25, at its meeting held on **June 24, 2024**. Their remuneration was placed for ratification by the shareholders at the **31<sup>st</sup> AGM** of the Company and the said resolution was also approved by the shareholders.

Subsequently, based on the continued satisfactory performance, the Board at its meeting held on **April 25, 2025**, approved the **re-appointment of M/s. Kasina & Associates** as the **Cost Auditors for the financial year 2025-26**, subject to ratification of their remuneration by the Members at the **32<sup>nd</sup> Annual General Meeting** of the Company. The necessary resolution for ratification of remuneration is included in the Notice of the 32<sup>nd</sup> AGM forming part of this Annual Report.

#### 20. Reporting of Frauds

Pursuant to the provisions of **Section 143(12)** of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the Statutory Auditors have **not reported** any instance of fraud to the Audit Committee or board of the Company or to the Central Government during the financial year ended March 31, 2025.

#### 21. Particulars of Employees and related Disclosures

In accordance with Section 197 of the Companies Act, 2013, and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details regarding remuneration and other disclosures are provided in Annexure - II to this Report.

A statement containing the particulars of employees as required under Section 197 of the Act, and Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is included as part of this Report.

As per the provisions of Section 136 of the Act, the Annual Report is being sent to the Members and other stakeholders entitled thereto, excluding the Statement containing particulars of employees. Any Member who wishes to obtain a copy of such details may request the Company Secretary at [investors@sarlafibers.com](mailto:investors@sarlafibers.com).

#### 22. Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors hereby confirms that, to the best of their knowledge and belief, and according to the information and explanations obtained:

- In the preparation of the annual accounts for the financial year ended March 31, 2025, the applicable accounting standards have been followed, along with proper explanations relating to material departures, if any.
- Appropriate accounting policies have been selected and applied consistently, and judgments and estimates are made reasonably and prudently so as to give a true and fair view of the state of affairs of the Company as at March 31, 2025, and of the profit of the Company for that financial year.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities.
- The annual accounts for the financial year ended March 31, 2025, have been prepared on a "going concern" basis.
- Proper internal financial controls were devised, implemented and maintained to

ensure compliance with the provisions of all applicable laws and that such controls are adequate and operating effectively.

- Proper systems were devised to ensure compliance with the provisions of all applicable laws, and such systems are adequate and operating effectively.

#### 23. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

The particulars relating to conservation of energy, technology absorption, and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are annexed hereto as **Annexure III** to this Report.

#### 24. Particulars of contracts or arrangements with Related Party Transactions

Pursuant to the Company's Policy on Related Party Transactions, all contracts, arrangements, and transactions entered into with related parties during the financial year under review were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions with Promoters, Directors, or Key Managerial Personnel that could give rise to a potential conflict of interest.

In compliance with Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- ☐ All related party transactions were presented to the Audit Committee for its prior approval, including those covered under Section 188 of the Act.
- ☐ Omnibus approvals were obtained for transactions that are repetitive in nature and were foreseen in terms of the Audit Committee's omnibus approval framework.

Details of the related party transactions as required under sub-section (1) of Section 188 of the Companies Act, 2013 are furnished in Form **AOC-2**, annexed as '**Annexure IV**' to this Report.

The Board-approved Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions is available on the Company's website at: <https://www.sarlafibers.com/wp-content/uploads/2024/01/14.Related-Party-Transaction-Policy.pdf>

#### 25. Corporate Social Responsibility

During the financial year 2024-25, the total CSR obligation of the Company, as per Section 135 of the Companies Act, 2013, amounted to ₹91.92 lakhs.

Out of this, ₹45.11 lakhs was available as a set-off from the CSR surplus accumulated in previous years, in accordance with the applicable provisions under the Companies Act, 2013 and CSR Rules. After adjusting this surplus, the net CSR amount required to be spent during the year stood at ₹46.81 lakhs.

Against this net obligation, the Company spent ₹53.15 lakhs on various CSR initiatives during FY 2024-25.

As a result, after accounting for the expenditure and adjustments, the Company has an excess CSR spend of ₹6.34 lakhs at the end of the financial year. This excess amount will be carried forward and can be set off against CSR obligations in future years, as permitted under the CSR Rules.

The Company remains committed to its CSR objectives and ensures full compliance with the applicable laws, while undertaking impactful initiatives aimed at sustainable social development.

#### Corporate Social Responsibility (CSR) Committee and Policy

In compliance with Section 135 of the Companies Act, 2013, and the applicable rules, the Company has reconstituted its CSR Committee in light of recent changes in the management. The CSR Committee ensures that the Company's CSR activities align with its values and commitments towards sustainable development and social welfare. Details of the Committee's composition and its responsibilities are provided in the Corporate Governance Report, which forms part of this Annual Report for the financial year 2024-25.

The CSR Policy, approved by the Board based on the recommendations of the CSR Committee, outlines the framework for the Company's CSR initiatives. The policy is available on the Company's website and can be accessed via the following link: <https://www.sarlafibers.com/>.

#### CSR Activities for FY 2024-25

The Company has undertaken various CSR activities during the financial year 2024-25, in alignment with its corporate social responsibility goals. The detailed report on these CSR activities, as required under the Companies (Corporate



Social Responsibility Policy) Rules, 2014, will be included as 'Annexure - V' to this Report. This annexure will provide a comprehensive overview of the projects undertaken and their impact during the year.

## 26. Corporate Governance Report and Management Discussion and Analysis Report

Your Company remains steadfast in its commitment to good corporate governance, aligning with the best practices in the industry and adhering to the standards set by the Securities and Exchange Board of India (SEBI) and the Stock Exchanges on which its securities are listed.

For the financial year ended March 31, 2025, the Company has fully complied with all applicable corporate governance requirements as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In accordance with Regulation 34(3) read with Schedule V of the said Regulations, a comprehensive report outlining the corporate governance practices adopted by the Company is annexed to this Annual Report as **Annexure VII**.

A certificate from **Ms. Swati Gupta**, Practicing Company Secretary (COP No. 12245), confirming compliance with the corporate governance norms and certificate of non-disqualification of directors under the SEBI Listing Regulations, is appended as annexure B and C to corporate governance Report.

Additionally, the Management Discussion and Analysis Report required under **Regulation 34(2)** of the SEBI Listing Regulations forms an integral part of Annual Report of the company.

## 27. Policy for Determining Materiality of Events

To enhance shareholder democracy and investor awareness, the Securities and Exchange Board of India (SEBI) introduced amendments to the **Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015** via a notification dated **June 14, 2023**. This notification introduced quantitative criteria for determining the materiality of events/information that need to be disclosed to investors and stock exchanges. SEBI also revised the list of events and information deemed material and required to be disclosed.

In compliance with these amendments, the Company aligned its policies with the updated provisions of the SEBI Listing Regulations. Accordingly, the **Policy for Determination**

**of Materiality for Disclosure of Events or Information** was amended and approved by the Board at its meeting held on **January 24, 2024**. The Board also introduced quantitative thresholds for material events and information that require disclosure to the exchanges and investors. The updated Materiality Policy can be accessed on the Company's website at this link.

## 28. Related Party Transaction Policy

Related Party Transactions (RPTs) play a crucial role in ensuring good governance and maintaining the integrity of listed entities. To safeguard the interests of all stakeholders and promote transparency, SEBI, under **Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**, mandates that the Board of Directors review the Related Party Transaction (RPT) Policy at least once every three years or whenever there are updates to it.

In line with this requirement, the Board has reviewed and approved the recent amendments to the **Related Party Transaction Policy**. This updated policy is available on the Company's website at <https://www.sarlafibers.com/wp-content/uploads/2024/01/14.Related-Party-Transaction-Policy.pdf>.

## 29. Whistle Blower / Vigil Mechanism Policy

The Company is committed to conducting its business with the highest standards of professionalism, integrity, and ethical behaviour. To further strengthen transparency and fairness, the Board of Directors has implemented a **Whistle Blower/Vigil Mechanism Policy** as per Section 177(9) of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 22 of the SEBI Listing Regulations. This mechanism provides safeguards against the victimization of Directors, employees, or any person who utilizes the mechanism to report unethical behavior or any actual or suspected fraud.

The **Whistle Blower Policy** is accessible on the Company's website at <https://www.sarlafibers.com/wp-content/uploads/2024/01/15-Whistle-Blower-Policy.pdf>. It allows all Directors, Officers, and Employees of the Company to report any concerns related to unethical practices or fraud.

## 30. Code of Conduct for Prohibition of Insider Trading

The Company has implemented a Code of Conduct for Prohibition of Insider Trading to regulate, monitor, and report the trading of

securities by its Designated Persons. This Code ensures that employees do not engage in trading on the basis of Unpublished Price Sensitive Information (UPSI). It also lays down procedures for investigating any potential leakage of UPSI, along with the Code of Practices and Procedures for Fair Disclosure of UPSI.

The amended Code is available on the Company's website at this link, and it provides the necessary framework for maintaining transparency and integrity in securities trading.

## 31. Compliance Management Framework

The Company has instituted a compliance management system to monitor compliance and provide updates to Senior Management/ Board on a periodic basis. The Board of Directors monitors the status of compliance with applicable laws on a quarterly basis.

### Compliance with Secretarial Standards

During the financial year 2024-25, the Company has complied with all applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India.

### Risk Management

The Company has an adequate Risk Management framework to identify, measure, manage, and mitigate business risks and opportunities. This framework seeks to create transparency, minimize adverse impacts on business strategy, and enhance the Company's competitive advantage.

The risk framework helps in managing market, credit, and operational risks while quantifying potential impacts at the Company level. The details and the process of Risk Management as implemented in the Company are provided as part of the Management Discussion and Analysis, which forms part of the Annual Report.

The Risk Management policy of the Company is available on its website at <https://www.sarlafibers.com/wp-content/uploads/2024/01/13.Risk-Management-Policy.pdf>

### Extract of the Annual Return

In accordance with the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 and Rules framed thereunder, the annual return for the financial year 2024-25 is available on the website of the Company at <https://www.sarlafibers.com/reports/>

## 32. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance towards sexual harassment at the workplace and has a policy on prevention, prohibition, and redressal of sexual harassment in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013, and the Rules thereunder. All women employees, whether permanent, temporary, or contractual, are covered under the above policy. The said policy has been uploaded on the website of the Company at <https://www.sarlafibers.com/wp-content/uploads/2024/01/POSH-Policy-Sarla.pdf> and intimated to all female employees. An Internal Complaint Committee (ICC) has been set up in compliance with the Act and the rules framed thereunder to redress complaints received on sexual harassment.

During the year under review, no cases were received or resolved pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013.

## 33. Internal Financial Control Systems, their Adequacy and Risk Management:

Adequate Internal Financial Control systems, commensurate with the nature of the Company's business, size, and complexity of its operations, are in place and have been operating satisfactorily and effectively. During the financial year under review, no material weaknesses in the design or operation of the Internal Financial Control system were reported.

The Company's Internal Auditor monitors and evaluates the internal control system and submits quarterly reports, which are regularly placed before the Audit Committee of the Board for review and necessary action.

## 34. Significant and Material Orders passed by the Regulators or Courts:

During the financial year 2024-25, the Company paid a sum of ₹359.85 lakhs, inclusive of interest and penalty, towards liabilities arising from the disallowance of input tax credit pursuant to an audit conducted by the GST authorities for the financial years 2018-19 to 2022-23. Except for the aforementioned matter, no significant order was passed by any Regulator, Court, or Tribunal during the financial year under review that would impact the going concern status of the Company or its future operations.



**Update on GST Recovery Order**

In the previous Financial Year, the Company received a recovery order from the GST Department amounting to ₹643.51 lakhs, comprising ₹585.01 lakhs towards tax and ₹58.50 lakhs towards penalty, along with applicable interest. The said demand pertains to GST refunds availed on exports made under payment of IGST from the Company's EOU unit for the financial years 2018-19 to 2021-22.

Based on legal advice, the Company has filed a writ petition before the Hon'ble Bombay High Court seeking a stay on the recovery proceedings. **Concurrently, an appeal has been filed before the Appellate Tribunal, and the matter remains pending adjudication.** The Company firmly believes that the refund claims were made in compliance with the applicable provisions of the GST law, and that the recovery order is not legally tenable.

**35. Material changes and commitments, if any, affecting financial position have occurred between the end of the financial year of the Company and date of this report**

There were no Material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report.

**36. Credit Rating**

During the financial year 2024-25, Acuité Ratings & Research Limited issued two credit rating updates for Sarla Performance Fibers Limited (SPFL):

- February 3, 2025: Acuité downgraded SPFL's long-term rating to 'ACUITE BB+' from 'ACUITE A-' and the short-term rating to 'ACUITE A4+' from 'ACUITE A2+'. This downgrade was due to the company's non-cooperation in providing necessary information, leading to the ratings being flagged as "Issuer Not Cooperating".
- February 24, 2025: Acuité upgraded SPFL's long-term rating to 'ACUITE A' from 'ACUITE BB+' and the short-term rating to 'ACUITE A1' from 'ACUITE A4+' on the ₹225.00 crore bank facilities. The outlook was marked as 'Stable'. This upgrade reflects the company's improved cooperation and positive developments in its financial and operational performance.

Additionally, Acuité assigned new ratings for fresh bank facilities totalling ₹112.00 crore, comprising ₹47.00 crore in long-term facilities

rated 'ACUITE A' with a 'Stable' outlook and ₹65.00 crore in short-term facilities rated 'ACUITE A1'.

These ratings indicate a high degree of safety regarding timely servicing of financial obligations and carry very low credit risk.

**37. Investor Education and Protection Fund (IEPF)**

During the financial year 2024-25, the Company transferred an amount of ₹14,51,735 to the IEPF Authority, pertaining to the Final Dividend for FY 2016-17. Additionally, 25,655 underlying equity shares were also transferred to the IEPF Authority.

**Process for Claiming Dividends and Shares from IEPF**

Shareholders may reclaim their dividend and/or shares transferred to the IEPF by submitting a duly filled Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite documents. Upon verification, the Company will issue an Entitlement Letter to enable submission of the claim to the IEPF Authority.

It is to be noted that no claim shall lie against the Company in respect of the dividends or shares once transferred to the IEPF in accordance with applicable laws.

The table below provides details of outstanding dividends and their respective last dates for claim before transfer to IEPF:

S r . No.	Financial Year	Date of Declaration	Last Date to Claim
1	2017-18 Final	28-09-2018	02-11-2025
2	2018-19 Final	27-09-2019	01-11-2026
3	2021-22 Final	28-09-2022	02-11-2029

**38. Insurance**

All the properties of the Company, including buildings, plant and machinery, and inventories, have been adequately insured during the financial year 2024-25 to safeguard against risks and contingencies.

- There were no proceedings initiated or pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the financial year 2024-25. Further, there were no instances of one-time settlement with any bank or financial institution during the year and therefore no details of Valuation in this regard is available

- The equity shares of the Company continue to remain listed on BSE Limited and the National Stock Exchange of India Limited. The applicable listing fees for the financial year 2024-25 have been duly paid to both stock exchanges.
- Pursuant to SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018, the Company does not fall under the category of "Large Corporate" as defined in the said circular. Furthermore, the Company has not raised any funds through the issuance of debt securities during the year under review.

**39. Acknowledgement and appreciation**

Your Board takes this opportunity to thank the Company's Members, Customers, Vendors, and all other Stakeholders for their continued support throughout the financial year 2024-25. The Directors also express their sincere gratitude to the Stock Exchanges, Banks, Ministry of Corporate Affairs, State Governments, Government of India, and all other

regulatory and statutory authorities for their valuable guidance and support extended to the Company. The Board looks forward to their continued cooperation in the future as well.

Your Directors also wish to place on record their deep appreciation for the commitment, dedication, and efforts of employees at all levels, who have contributed to the sustained growth and performance of the Company.

**FOR AND ON BEHALF OF THE BOARD**

**Krishna Jhunjunwala**

Managing Director  
DIN: 00097175

**Kanav Jhunjunwala**

Whole time Director  
DIN: 09507192

Place: Mumbai

Date: April 25, 2025



ANNEXURE - I

AOC - I for the financial year ended 31 March 2025

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part A: Subsidiaries

(All amount in Rs. Lakhs, unless otherwise stated)

Sr. No.	Particulars	Sarlaflex INC. (SFI) *	Sarla Overseas Holding Ltd. (SOHL)*
1.	Reporting Period	1st April 2024 to 31st March 2025	1st April 2024 to 31st March 2025
2.	Reporting Currency	USD	USD
3.	Closing Exchange Rate	85.5814	85.5814
4.	Avg. Rate	84.5698	84.5698
5.	Date of Acquisition/ Incorporation	2012	05/09/2006
6.	Issued & subscribed Share Capital	596.50	196.99
7.	Reserves and Surplus	-5462.98	-124.28
8.	Total Assets	3256.44	148.28
9.	Total Liabilities	8122.92	75.57
10.	Investments	-	-
11.	Revenue from Operation	-	577.48
12.	Profit before Taxation	723.63	93.64
13.	Provision for Taxation	-	2.93
14.	Profit after Taxation	723.63	90.7
15.	Proposed Dividend	-	-
16.	Extent of Shareholding (in %)	100%	100%
17.	Country	USA	BVI

Note: Refer Note 49 & 50 of Consolidated Financial Statements

\*Sarlaflex INC and Sarla Overseas includes its 100% subsidiaries

Part B: Associate/ Joint Venture

(All amount in Rs. Lakhs, unless otherwise stated)

Sr. No.	Particulars	Name of Joint Venture		
		Sarla Tekstil Filament Sanayi Ve Tic	MRK S.A. De C.V.	M/s Savitex, S.A. De C.V.
1.	Latest audited Balance Sheet Date	31/03/2022	31/03/2022	31/03/2022
2.	Date of Acquisition	19/03/2010	07/11/2009	2009
3.	No. of Shares held	1620	100	16000
4.	Amount of Investment	116.13	45.29	380.80
5.	Extent of Holding (in percentage)	45%	33.33%	40%
6.	Description of how there is significant influence*	-	-	-
7.	Reason why the joint venture is not consolidated*	-	-	-
8.	Net worth attributable to Shareholding as per latest audited Balance Sheet*	-	-	-
9.	Profit or Loss for the year	Not considered in Consolidation	Not considered in Consolidation	Not considered in Consolidation
	i. Considered in Consolidation			
	ii. Not Considered in Consolidation			

Note: The above list does not include associate and the associate company of the subsidiary

As per our report of even date attached.

For and on behalf of the Board of Directors

Sarla Performance Fibers Limited

CIN: L31909DN1993PLC000056

Krishna Jhunhunwala

Managing Director

DIN: 00097175

Kanav Jhunhunwala

Whole time Director

DIN: 09507192

Kapil Raj Yadav

Company Secretary and Compliance

Officer

Mumbai

April 25, 2025



## ANNEXURE - II

### Particulars of Directors and Employees

Disclosure with respect to the remuneration of Directors and Employees as required under Section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are as follows:

1. **Ratio of the remuneration paid to each Director to the median remuneration of the employees of the Company for the FY 2024-25:**

Names of Directors	Designation	Ratio to median remuneration
Mr. Krishna Jhunjunwala	Managing Director	57.95
Mr. Parantap Dave	Non-Executive Independent Director	1.63
Ms. Shreya Desai	Non-Executive Independent Director	0.77
Mr. Paulo Manuel Ferreira Moura De Castro#	Non-Executive Independent Director	--
Ms. Neha Jhunjunwala	Executive Director	5.79
Mr. Kanav Jhunjunwala	Executive Director	6.14
Mr. Bharat Kishore Jhamvar	Non-Executive Independent Director	0.97
Mr. Sachin Shashikant Abhyankar	Non-Executive Non-Independent Director	0.87

# Mr. Paulo Manuel Ferreira Moura De Castro waived his entitlement to his share of commission and sitting fees

2. **Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the FY 2024-25 vis-a-vis the previous financial period 2023-24:**

Directors, Chief Financial Officer, and Company Secretary	Designation	% increase in remuneration in financial year
Mr. Krishna Jhunjunwala	Managing Director	-
Mr. Parantap Dave^	Non-Executive Independent Director	-
Ms. Shreya Desai^	Non-Executive Independent Director	-
Mr. Paulo Manuel Ferreira Moura De Castro^	Non-Executive Independent Director	-
Ms. Neha Jhunjunwala	Executive Director	-
Mr. Kanav Jhunjunwala	Executive Director	-
Mr. Bharat Kishore Jhamvar^	Non-Executive Independent Director	-
Mr. Sachin Shashikant Abhyankar^	Non-Executive Non- Independent Director	-
Ms. Radhika Sharma	Company Secretary and Compliance Officer	20%
Mrs. Meena Bharat Jain*	Company Secretary and Compliance Officer	-
Mr. Mukesh Deopura	Chief Financial Officer	-
Mr. Kayvanna Shah**	Chief Financial Officer	-

^ No commission was declared and paid to Independent Directors for the FY 2024-25

\* Appointed w.e.f. December 10, 2024

\*\* Appointed w.e.f. June 24, 2024

3. **Percentage increase in the median remuneration of employees in the FY 2024-25 - 13.53%**
4. **Number of Permanent Employees on the rolls of the Company - 422**
5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

During the last financial year, the average percentage increase in the salaries of employees other than managerial personnel was 8.24%. In contrast, there was no increase in the remuneration of managerial personnel. These adjustments were made in line with prevailing market standards and reflect the company's commitment to maintaining equitable and performance-based compensation practices.

6. **Key Parameters for any variable component of remuneration availed by the directors - Not Applicable**
7. **Affirmation that the remuneration is as per the remuneration policy of the Company - The Company affirms that the remuneration is as per the Nomination cum Remuneration Policy of the Company**

**FOR AND ON BEHALF OF THE BOARD**

**Krishna Jhunjunwala**  
Managing Director  
DIN: 00097175

**Kanav Jhunjunwala**  
Whole time Director  
DIN: 09507192

Place: Mumbai  
Date: 25/04/2025



ANNEXURE - III

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of the Companies (Account) Rules, 2014

(A) Conservation of Energy

With a view to conserve the natural resources by managing energy in manufacturing activities, following energy conservation projects were taken during the year under review:

(i) Steps taken or impact of conservation of energy

- Replacement of inefficient motor with energy efficient motors
- Overhauling of Machines for effective energy utilization
- Replacement of HPMV lightings with LED lights

(ii) Steps taken by the Company for utilizing alternative sources of energy

The Company have wind turbine generators of 1.25 MW capacity installed at Baradiya, Gujarat, and the Company have also installed Rooftop Solar of 1.12MW at Plants. Energy generated from the said turbine and Solar Plant is captively used by the Company.

(iii) Capital investment on energy conservation equipment

During the year under review, the Company has invested Rs. 1.55 Lacs on energy conservation equipment.

(B) Technology Absorption

The following initiatives have been taken which has resulted in product improvement / product development and reduction in cost to end consumer and also as an import substitution.

(i) Efforts made towards technology absorption

- Initiated Air leakage audit in house on daily basis & every machine during PMS
- In IDY line we are optimizing the Air pressure from 11 Bar to 7.0 bar in suction gun.
- VFD installation in various places to reduce power consumption like chilled water pump, CT fan & Twisting machine

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution

- Reduction in Energy Consumption & subsequent manufacturing cost.
- Better yield & productivity.
- In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -- No imported technology deployed during the F.Y. 2024-25
  - details of technology imported - Not Applicable
  - year of import - Not Applicable
  - whether the technology been fully absorbed - Not Applicable
  - if not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Not Applicable

(C) Research & Development (R&D)

- Specific areas in which R & D is Carried out by the Company:** Reduction in energy consumption with various process improvement.
- Benefits derived as a result of the above R & D:** Conservation of natural resources

- Future Plan of Action:** To continually improve customer satisfaction worldwide and to pioneer the development of new products.
- Expenditure incurred on R & D:** All machinery are allocated for both operational and R&D tasks, hence no separate accounting is maintained, and R&D expenditure cannot be specifically determined

(D) Foreign exchange earnings and Outgo  
Activities relating to exports:

The Company has now established a potential solid customer base in European countries especially Italy, Spain, Romania, Turkey, U.K, Portugal. etc., some countries in Central and North America and Asian Countries like China, Vietnam, Thailand, Hong Kong etc. Jordan, Canada & South America countries like Brazil are the thrust areas for the future and a good beginning has been made towards this.

During the year under review, the foreign exchange earned in terms of actual inflows and the foreign exchange outgo are as follows:

Particulars	Current Year (Rs. In Lakhs)	Previous Year (Rs. In Lakhs)
Foreign Exchange Earnings	23473.11	18040.20
Foreign Exchange Outgo	10579.02	10094.51

FOR AND ON BEHALF OF THE BOARD

Krishna Jhunjunwala  
Managing Director  
DIN: 00097175

Kanav Jhunjunwala  
Whole time Director  
DIN: 09507192

Place: Mumbai  
Date: 25/04/2025



ANNEXURE - IV

Form No. AOC - 2

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with, related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of Contracts or arrangements or transactions not at arm's length basis:

During the FY 2024-25, the Company has not entered into any contracts or arrangements or transactions with its related parties which are not on arm's length basis.

2. Details of contracts or arrangements or transactions at arm's length basis:

(Rs. In Lakhs)

Sr. No.	Name of the Related Party and Nature of Relationship	Type of Relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount of Transaction
1	Mr. Krishna Jhunjunwal	Directors & Key Managerial Personnel	Managerial Remuneration (including Retirement Benefits)	October 01, 2024, to September 30, 2029	As per the terms of Appointment	180
			Rent paid	April 01, 2024, to March 31, 2025	As per the terms of Lease Agreement	21.6
2	Ms. Neha Jhunjunwala	Executive Director	Managerial Remuneration (including Retirement Benefits)	April 01, 2024, to March 31, 2025	As per the terms of Appointment	18
3	Mr. Kanav Jhunjunwala	Executive Director	Managerial Remuneration (including Retirement Benefits)	April 01, 2024, to March 31, 2025	As per the terms of Appointment	19.08
4	Mr. Kayvanna Shah	Key Managerial Personnel	Remuneration (including Retirement Benefits)	June 24, 2024, to March 31, 2025	As per the terms of Appointment	43.60
5	Mrs. Vrinda Jhunjunwala	Relatives of Key Managerial Personnel	Remuneration (including Retirement Benefits)	April 01, 2024, to March 31, 2025	As per the terms of Appointment	6
6	Mrs. Radhika Sharma	Key Managerial Personnel	Remuneration (including Retirement Benefits)	April 01, 2024, to September 13, 2024	As per the terms of Appointment	7.74

Sr. No.	Name of the Related Party and Nature of Relationship	Type of Relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount of Transaction
7	Meena Jain	Key Managerial Personnel	Remuneration (including Retirement Benefits)	December 10, 2024, to March 31, 2025	As per the terms of Appointment	1.48
8	Sarla Europe, LDA	Step down Subsidiary	Commission paid	On-going	As per terms of contract	234.05
9	Shivchandrai Jhunjunwala Charitable Trust	Entities over which Key Managerial Personnel are able to exercise significant influence	CSR expenditure	April 01, 2024, to March 31, 2025	NA	40.00
10	Sarlaflex Inc.	Wholly owned Subsidiary	Advance Given for procurement of Goods	On going	NA	91.64
			Repayment Received Against Advance Given for Goods	On going	NA	224.12
11	Madhusudan Jhunjunwala & Sons HUF	Entities over which Key Managerial Personnel are able to exercise significant influence	Rent paid	April 01, 2024 to March 31, 2025	As per the terms of Lease Agreement	21.60
12	Hindustan Cotton Co.	Entities over which Key Managerial Personnel are able to exercise significant influence	Rent paid	April 01, 2024 to March 31, 2025	As per the terms of Lease Agreement	13.50

For and on behalf of the Board of Directors

Krishna Jhunjunwala  
Managing Director  
DIN: 00097175

Kanav Jhunjunwala  
Whole time Director  
DIN: 09507192

Place: Mumbai  
Date: April 25, 2025



## ANNEXURE - V

### Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Section 135 of the Companies Act, 2013 read with the Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

#### 1. Brief outline on CSR Policy of the Company:

##### Policy of the Company

Corporate Social Responsibility is a Company's sense of responsibility towards the community and environment in which it is operated. It is the continuing commitment of the Company to behave ethically and contribute to the economic development of the society at large and building capacity for sustainable development.

##### The following are the thrust areas under CSR:

- ☐ Eradicating hunger, poverty and malnutrition and sanitation;
- ☐ Promoting health care;
- ☐ Promoting education;
- ☐ Ensuring environmental sustainability, ecological balance;
- ☐ Rural development projects;
- ☐ National Heritage and Culture;
- ☐ Gender Equality and Empowerment of Women;
- ☐ Participating & Promoting Swatch Bharat Abhiyaan.

##### CSR Vision

Sarla Performance Fibers Limited through its Corporate Social Responsibility initiatives, shall always strive to enrich the quality of life in different segments of the society

##### The Company aims to -

- ☐ Positively impact economic and social conditions of the communities in which it operates.
- ☐ Make efforts towards self-sustainability of CSR projects.
- ☐ Take initiatives on environmental sustainability.
- ☐ Foster a culture of CSR amongst employees, business associates and stakeholders

#### 2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Neha Jhunjunwala	Executive Director - Chairman	1	1
2	Mr. Kanav Jhunjunwala	Member / Executive Director	1	1
3	Mr. Paulo Manuel Castro	Member / Non-Executive Independent Director	1	1

#### 3. The web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

Web-link of Composition of CSR Committee:

Composition-of-various-committees.pdf

Web-link of CSR Policy:

<https://www.sarlafibers.com/wp-content/uploads/2024/01/11.-CSR-Policy.pdf>

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

(Rs. In Lakhs)

Sr. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
3	FY 2024-25	45.11	45.11

6. Average net profit of the company as per section 135(5): 4596.20 Rs. Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 91.92 Lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any: 45.11 Lakhs

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 46.81 Lakhs

8. (a) CSR amount spent or unspent for the financial year:

(Rs. In Lakhs)

Total Amount Spent for the FY 2024-25	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
53.15	Not Applicable		Not Applicable		

(b) Details of CSR amount spent against ongoing projects for the FY 2024-25: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Rs. In Lakhs)

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent on the project	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State/UT	District			Name	CSR Registration number
1.	Social Engagement and Awareness Campaign	Promoting Environmental Sustainability	Yes	Dadra Nagar Haveli and Daman & Diu	-	02.00	No	Humans Of Earth	CSR00064973
2.	NAMO Hospital	promoting health care including preventive health	Yes	Dadra Nagar Haveli and Daman & Diu	-	11.15	No	Rogi Kalyan Samiti	CSR00004127
3.	Shri Rani Sati Eye Hospital	promoting health care including preventive health	No	Maharashtra	Mumbai	40.00	No	Shivchandrai Jhunjunwala Charitable Trust	CSR00012376
Total						53.15			

(d) Amount spent in Administrative overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil



(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 53.15 Lakhs

(g) Excess amount for set off, if any: ₹ 6.34 Lakhs

(Rs. In Lakhs)

Sr. No.	Particular	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	91.92
(ii)	Total amount spent for the Financial Year	53.15
(iii)	Excess amount spent for the financial year [(ii)-(i)]	6.34
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	6.34

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable
10. (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable
11. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):
- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable
12. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

For and on behalf of the Board of Directors

**Neha Jhunjunwala**  
Executive Director  
DIN: 07144529

**Kanav Jhunjunwala**  
Whole time Director  
DIN: 09507192

Place: Mumbai  
Date: April 25, 2025

## ANNEXURE VI

### FORM MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

**SARLA PERFORMANCE FIBERS LIMITED,**

Survey No. 59/1/4, Amla Piparia Industrial Estate,  
Silvassa, DN-396230

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sarla Performance Fibers Limited** (hereinafter called "the Company") having **CIN: L31909DN1993PLC000056**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliance and expressing our opinion thereon.

Based on my verification of the Company, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit and subject to letter annexed herewith, we hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31 2025, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; (not applicable to the Company during the Audit period);
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable during the Audit period);
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009, and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on October 28, 2014.
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the Company during the Audit period);
  - The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 (not applicable to the Company during the Audit period) and
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit period); and



- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the Audit period);
- (vi) Other Laws specifically applicable to the Company as per the representations made by the Company are listed in **Annexure A** and forms an integral part of this report. In case of Direct and Indirect Tax Laws like Income Tax Act, Service Tax Act, Excise & Custom Acts we have relied on the Reports given by the Statutory Auditors of the Company.

Corporate Overview Statutory Financial Statements Reports

We have also examined compliance with the applicable clause of the following:

- a. Secretarial Standards issued by The Institute of Company Secretaries of India; and
- b. The (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the period under review and as per the explanations and representations made by the management and subject to clarification given to us, the company has generally complied with the provisions of Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

We further report that:

The Board of Directors of the Company was duly constituted with proper balance of the Executive Directors, Non- Executive Directors and Independent Directors for the period under review. The changes in the composition of the Board of Directors, that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting members' views, if any, are captured and recorded as part of the Minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Date: 22/04/2025  
Place: Mumbai

CS SWATI GUPTA  
Membership No.: F5766  
COP No.: 12245  
UDIN No.: F005766G000174968

Annexure A

Other Laws applicable to the Company

(A) Commercial Laws

- (i) Indian Contract Act
- (ii) Limitation Act
- (iii) Arbitration and Conciliation Act
- (iv) Negotiable Instruments Act
- (v) Information Technology Act
- (vi) The Competition Act
- (vii) Income Tax Act
- (viii) Goods and Service Tax Act

(B) Others

- (i) Shops & Establishments Act
- (ii) Bombay/Indian Stamp Act

CS SWATI GUPTA

Membership No.: F5766  
COP No.: 12245

Place: Mumbai  
Date: 22/04/2025  
UDIN No.: F005766G000174968

Annexure B

To,  
The Members,  
**SARLA PERFORMANCE FIBERS LIMITED,**  
Survey Mo 59/1/4, Amli Piparia Industrial Estate,  
Silvassa, DN-396230

Our report of even date is to read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
- The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- We have reported, in our audit report, only those non-compliance, especially in respect of filing of applicable forms/documents, which, in our opinion, are material and having major bearing on financials of the Company.

CS SWATI GUPTA

Membership No.: F5766  
COP No.: 12245

Place: Mumbai  
Date: 22/04/2025  
UDIN No.: F005766G000174968



# ANNEXURE VII

## REPORT ON CORPORATE GOVERNANCE

### INTRODUCTION

Sarla Performance Fibers Limited (“SPFL” or “the Company”) remains steadfast in its commitment to the highest standards of corporate governance. The Company believes that strong governance practices, rooted in integrity, transparency, accountability, and customer-centricity, are fundamental to creating long-term value and sustaining stakeholder trust. SPFL continuously strives to adopt and implement best-in-class governance standards that not only comply with the applicable regulatory requirements but also promote a culture of ethical business conduct and responsible corporate citizenship.

The Company conducts its business in a fair, transparent, and ethical manner while maintaining equitable treatment of all stakeholders, including shareholders, employees, customers, lenders, creditors, and regulatory authorities.

This Report on Corporate Governance for the financial year ended March 31, 2025, has been prepared in accordance with the provisions of Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and other applicable provisions of the Companies Act, 2013, and rules framed thereunder.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance at Sarla Performance Fibers Limited (“SPFL” or “the Company”) is a well-balanced blend of voluntary best practices and mandatory compliance with applicable laws and regulations, aimed at ensuring effective oversight, accountability, and prudent management of the Company's affairs. The Company views Corporate Governance as a framework of principles, policies, and processes that promote transparency, integrity, and ethical conduct, thereby aligning the interests of all stakeholders — including shareholders, directors, employees, customers, regulators, and society at large.

SPFL regards Corporate Governance as a strategic tool to strengthen stakeholder confidence. It is also instrumental in driving long-term value creation, fostering responsible corporate behaviour, and promoting sustainability. Through its governance practices, the Company strives to contribute positively to the communities in which it operates by

conducting business in an ethical, inclusive, and environmentally conscious manner.

The Board of Directors, along with its committees, discharges its fiduciary duties diligently by not only ensuring compliance with all applicable statutory and regulatory requirements in both letter and spirit, but also by upholding the highest standards of governance practices. The Board remains committed to managing the affairs of the Company in a fair, transparent, and accountable manner, with a focus on protecting and enhancing stakeholder value.

The Company ensures timely, adequate, and accurate disclosure of all material information, including its financial performance, corporate structure, ownership, and governance practices, in accordance with the disclosure requirements of the SEBI Listing Regulations and other applicable laws, thereby facilitating informed decision-making by investors and regulators.

### 2. BOARD OF DIRECTORS ('BOARD'):

SPFL believes that an active, well-informed, and independent Board is fundamental to upholding the highest standards of Corporate Governance. The Board serves as the cornerstone of the Company's governance framework, providing strategic direction, oversight, and accountability. The Company is of the view that a balanced and diverse Board composition, comprising an optimal mix of Executive and Non-Executive Directors, including Independent Directors and a Woman Director, is essential to effective decision-making and sound governance.

Such diversity in the Board structure enables objective judgment, ensures robust deliberation on key issues, and enhances the quality of governance by incorporating a wide range of perspectives and expertise. The Board of SPFL is committed to maintaining ethical leadership and prudent oversight, in alignment with the principles laid down under the Companies Act, 2013 and the SEBI Listing Regulations.

### Composition and Category of Directors

As on March 31, 2025, the Board of Directors of Sarla Performance Fibers Limited comprises six (6) Directors, including three (3) Executive Directors and three (3) Non-Executive Independent Directors. The composition of the Board is in compliance with the requirements of

Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Section 149 of the Companies Act, 2013, along with the rules made thereunder.

The Executive Directors are part of the Promoter and Promoter Group and are responsible for managing business of the Company. The Non-Executive Independent Directors are individuals of high integrity and standing who bring with them rich and diverse experience. They do not have any material pecuniary relationship or transaction with the Company, its subsidiaries, associates, joint ventures, promoters, or management that could potentially affect their independence of judgment.

The Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013. Pursuant to Regulation 25(8) of the SEBI Listing Regulations, all Independent Directors have submitted declarations confirming that they are not aware of any circumstances or situations that exist or may be reasonably anticipated to exist, which could impair or impact their ability to discharge their duties with an objective and independent judgment.

Based on the declarations received, the Board of Directors has confirmed that all Independent Directors meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and are independent of the management. Further, in accordance with Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors have duly registered their names with the data bank maintained by the Indian Institute of Corporate Affairs (IICA).

### Board Meetings

Meetings of the Board of Directors of Sarla Performance Fibers Limited are generally convened at the Company's Corporate Office located at Nariman Point, Mumbai. The Board is provided with all relevant information and material, as required under Regulation 17(7) read with Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), well in advance to facilitate meaningful deliberations and informed decision-making.

Senior executives and members of the management team are invited to attend Board and Committee meetings, as necessary, to provide presentations and respond to specific queries raised by the Directors, thereby facilitating effective discussions.

The Board meets at least once every quarter to review the financial and operational performance of the Company and to approve the unaudited/audited financial results. In accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Company also facilitates participation of Directors in Board and Committee meetings through video conferencing or other audio-visual means, as requested. Additionally, minutes of all meetings are circulated to the Directors through electronic mode. Directors are granted real-time access to all relevant documents, papers, and presentations made during the meetings through a secure electronic platform.

During the financial year ended March 31, 2025, the Board met seven (7) times on the following dates: April 27, 2024; May 10, 2024; June 24, 2024; July 29, 2024; October 28, 2024; December 10, 2024; and January 30, 2025. The requisite quorum was present at all the meetings held during the year.

Disclosures, Membership, Attendance & Other Directorships

None of the Directors on the Board of Sarla Performance Fibers Limited holds directorships in more than ten (10) public companies as prescribed under Section 165 of the Companies Act, 2013. Further, none of the Directors serve as an Independent Director in more than seven (7) listed entities, and none of the Executive Directors serve as Independent Directors in more than three (3) listed entities, in compliance with Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

All Directors have made necessary disclosures regarding their directorships, committee memberships, and chairmanships in other companies, in accordance with the statutory requirements. None of the Directors, except for the inter-se relationship among Mr. Krishna Jhunjunwala, Ms. Neha Jhunjunwala, and Mr. Kanav Jhunjunwala, are related to each other or to any other Key Managerial Personnel of the Company. Mr. Krishna Jhunjunwala is the father of Ms. Neha Jhunjunwala and Mr. Kanav Jhunjunwala.



Additionally, none of the Directors is a member in more than ten (10) committees or acts as a chairperson of more than five (5) committees across all public companies in which they serve as Directors, in accordance with Regulation 26(1) of the SEBI Listing Regulations. Further, no Director has served as an Independent Director in more than seven (7) listed entities during the financial year. The Managing Director and Executive Directors of the Company do not serve as Independent Directors on the Board of any other listed entity.

Details of the composition of the Board and Category of directors, attendance of each Director at the meetings of the Board held during the financial year ended March 31, 2025 and at the last Annual General Meeting ("AGM"), the number of directorships held in other companies, including the Chairmanships/ Memberships held in various Committees of such entities as on March 31, 2025, along with the names of listed entities in which the person is a director and the category of directorship, is provided in the table below.

Name of Director	Category*	Attendance		No. of Outside Directorship's#		No. of Committee Positions held in other Companies (Excluding SPFL) ##		Directorship in other Listed Companies (Excluding SPFL)	
		Board Meeting	Last AGM	Public	Private	Chairman	Member	Name	Category
Mr. Krishna Madhusudan Jhunjunwala (DIN: 00097175)	MD-P (chairman)	6/7	Yes	-	4	-	-	None	None
Mr. Parantap Dave^ (DIN: 00019472)	I	4/7	Yes	1	6	-	-	None	None
Ms. Shreya Desai ^^ (DIN: 08041995)	I	4/7	LOA	-	1	-	-	None	None
Mr. Paulo Manuel Ferreira Moura De Castro (DIN: 08459844)	I	2/7	Yes	-	-	-	-	None	None
Ms. Neha Jhunjunwala (DIN: 07144529)	ED - P	6/7	Yes	-	-	-	-	None	None
Mr. Kanav Jhunjunwala^^^^ (DIN: 09507192)	ED - P	5/7	Yes	-	-	-	-	None	None
Mr. Sachin Shashikant Abhyankar^^^ (DIN: 02760746)	I	7/7	Yes	-	-	-	-	None	None
Mr. Bharat Kishore Jhamvar (DIN: 00211297)	I	6/7	Yes	1	4	-	1	Affordable Robotic & Automation Limited	I

\*MD – Managing Director; P- Promoter & Promoter Group; ED – Executive Director; NED – Non-Executive Director; I – Non-Executive Independent Director

# This includes all Indian Companies, excluding Section 8 Companies and Foreign Companies.

## This includes Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies.

^Mr. Parantap Dave ceased to hold office as a Non-Executive Independent Director of the Company upon completion of his tenure, effective August 08, 2024.

^^Ms. Shreya Desai resigned from the position of Non-Executive Independent Director of the Company, with effect from September 30, 2024.

^^^Mr. Sachin Shashikant Abhyankar was redesignated from the position of Non-Executive-Non-Independent Director to Non-Executive Independent Director of the Company, effective June 24, 2024.

^^^^ Mr. Kanav Jhunjunwala was re-designated from Executive Director to Whole-Time Director of the Company with effect from April 25, 2025, i.e., the date of the Board Meeting in which this Report is approved.

#### Disclosure of relationships between directors inter-se

**Mr. Krishna Jhunjunwala**, Managing Director of the Company, is the father of **Ms. Neha Jhunjunwala**, Executive Director, and **Mr. Kanav Jhunjunwala**, Whole-time Director\* of the Company.

*\*Redesignated as Whole-time Director of the Company with effect from April 25, 2025.*

#### Number of Shares and Convertible Instruments Held by Non-Executive Directors

As on March 31, 2025, Mr. Sachin Shashikant Abhyankar, Non-Executive Independent Director of the Company, holds 2,81,565 shares of the Company.

#### Convertible Instruments

The Company has not issued any convertible instruments during the financial year ended March 31, 2025.

#### Leave of Absence and Participation through Audio-Visual Means

The Board of Directors, upon request, has granted leave of absence to Directors who were unable to attend specific Board or Committee meetings during the financial year, in accordance with the provisions of the Companies Act, 2013 and the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

To facilitate maximum participation, the Company also provides video conferencing and other audio-visual means to enable Directors to attend meetings remotely, thereby ensuring their continued involvement in the discussions and deliberations of the Board and its Committees.

**Directors seeking appointments / re-appointments at the 32<sup>nd</sup> Annual General Meeting**  
Pursuant to the provisions of Section 152 of the

Companies Act, 2013, Ms. Neha Jhunjunwala is liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

In accordance with Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the requisite details of Ms. Jhunjunwala are provided in the Notice of AGM.

Except for Ms. Jhunjunwala, no other Director is seeking an appointment or re-appointment at the Meeting.

#### Key Skills, Experience and Competencies

The Board of Directors of Sarla Performance Fibers Limited comprises accomplished and experienced professionals from diverse backgrounds, including finance, strategy, operations, governance, and industry-specific expertise. Their collective knowledge and skillset enable them to provide effective oversight and strategic direction to the Company. All Directors actively participate in Board and Committee deliberations, offering valuable insights and guidance to the management on a wide range of matters including business operations, policy formulation, regulatory compliance, and corporate governance, thereby enhancing the quality of decision-making.

In accordance with the requirements of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has identified a set of core skills, expertise, and competencies that are deemed essential in the context of the Company's business operations and sectoral dynamics. These attributes are critical for the Board to discharge its functions effectively and are also reflected in the current composition of the Board.

#### Core Skills/Expertise/Competencies Identified by the Board:

Skills, Experience and Competencies	Brief Particulars
Global Industry Knowledge	As the Company has its presence in global markets through its wholly owned foreign subsidiaries namely Sarlaflex INC., & Sarla Overseas Holdings Ltd, & foreign Joint Ventures, it is important that the Board Members have understanding of global business dynamics, across various geographical markets and industry verticals.
Experience of crafting Business Strategies	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company, relevant policies and priorities.
Leadership	The Board Members need to extend leadership experience for an enterprise resulting in a practical understanding of organization. The Board Members need to demonstrate strengths in driving change and long-term growth



Skills, Experience and Competencies	Brief Particulars
Finance and Accounting experience	Comprehensive understanding of financial accounting, reporting and controls and risk analysis
Governance Risk and Compliance	Experience in the application of corporate governance principles. Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance.
Risk Management	Identifying various risks and providing guidance towards mitigation of the same
Sales, Marketing & Brand building	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance enterprise reputation.

Details of the skills/ expertise/ competencies possessed by the Directors who were part of the Board during the year under review, are as follows:

Name of the Director	Global Industry Knowledge	Experience of crafting Business Strategies	Leadership	Finance & Accounting experience	Governance Risk and Compliance	Risk Management	Sales, Marketing & Brand building
Mr. Krishna Madhusudan Jhunjunwala	✓	✓	✓	✓	✓	✓	✓
Mr. Parantap Dave	✓	✓	✓	✓	✓	✓	✓
Ms. Shreya Desai	-	✓	-	-	✓	✓	-
Mr. Paulo Manuel Ferreira Moura De Castro	✓	✓	✓	✓	-	✓	✓
Ms. Neha Jhunjunwala	✓	✓	✓	✓	✓	✓	✓
Mr. Kanav Jhunjunwala	✓	✓	✓	✓	-	✓	✓
Mr. Sachin Shashikant Abhyankar	✓	✓	✓	✓	✓	✓	✓
Mr. Bharat Kishore Jhamvar	✓	✓	✓	✓	✓	✓	✓

#### Prevention of Insider Trading:

Pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Company has adopted a Code of Conduct for Prevention of Insider Trading to regulate dealings in its securities by directors and employees. The Code mandates pre-clearance for trading in the Company's shares and strictly prohibits any transaction while in possession of unpublished price sensitive information (UPSI) relating to the Company or its securities. To ensure effective implementation and compliance, the Company Secretary has been designated as the Compliance Officer responsible for monitoring adherence to the Code by all designated persons who are likely to have access to UPSI.

#### Code of Conduct:

The Company has formulated and implemented a Code of Conduct applicable to all Board Members and Senior Management personnel. All Directors and senior management personnel have affirmed compliance with the Code for the financial year 2024-25. A declaration to this effect, signed by the Managing Director, is annexed as **Annexure A** to this Corporate

Governance Report for the year 2024-25. The Code is available on the Company's website at <https://www.sarlafibers.com/wp-content/uploads/2024/01/6.-Code-of-Conduct.pdf>

#### Evaluation of Board:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has conducted the Annual Performance Evaluation of its own functioning, that of individual Directors, and the working of its various Committees.

A separate evaluation exercise was undertaken for individual Directors, including the Chairman, based on parameters such as level of engagement and participation, independence of judgment, safeguarding of stakeholders' interests, and overall contribution to the Board. The performance evaluation of Independent Directors was carried out by the entire Board, based on the criteria of independence, active participation, and their ability to offer objective judgment on key matters including strategy, performance, risk management, governance, and ethical standards.

#### Independent Directors:

The term "Independent Director" is defined under Section 149 of the Companies Act, 2013 and the rules made thereunder, as well as Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The Company has appointed Independent Directors on its Board in accordance with the provisions of Section 149 of the Companies Act, 2013, including the applicable rules and Regulation 16 of the SEBI Listing Regulations.

Each Independent Director, at the first meeting of the Board in which they participate as a Director and thereafter at the first Board meeting of every financial year, provides a declaration confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, as amended from time to time. None of the Independent Directors have any material pecuniary relationship or transactions with the Company, its Promoters, or Management that could affect their independence of judgment.

The Company has complied with all applicable provisions concerning the appointment and tenure of Independent Directors, in line with the Companies Act 2013 and the SEBI Listing Regulations. All Independent Directors receive a formal letter of appointment detailing their roles, duties, responsibilities, code of conduct, and other relevant terms. In accordance with Regulation 46 of the SEBI Listing Regulations, the terms and conditions of their appointment are available on the Company's website at [https://sarlafibers.com/images/terms\\_and\\_conditions\\_of\\_appointment\\_of\\_independent\\_directors.pdf](https://sarlafibers.com/images/terms_and_conditions_of_appointment_of_independent_directors.pdf).

#### Familiarization Programme for Independent Directors:

The Company has established a structured Familiarization Programme for its Independent Directors with the objective of enabling them to gain a comprehensive understanding of the Company's operations, business environment, and governance framework. As part of this programme, Independent Directors are provided

with relevant documents, reports, and internal policies to familiarize them with the Company's procedures and practices. They are briefed on their roles, responsibilities, and obligations as Board members, as well as matters related to corporate governance, code of conduct, risk management, internal controls, audit processes, and compliance requirements.

Quarterly updates on statutory and regulatory changes are shared with the Directors to keep them informed of key developments under the Companies Act, 2013, SEBI Listing Regulations, Income Tax Act, GST, and other applicable laws. Independent Directors are also regularly updated on significant strategic and operational decisions taken by the Management concerning business growth, marketing initiatives, and other functional areas.

SPFL has implemented a system to ensure that Independent Directors are well-informed about the Company's business, regulatory environment, and ongoing developments. A detailed description of the familiarization programmes conducted during the financial year 2024-25 is available on the Company's website at- <https://www.sarlafibers.com/wp-content/uploads/2025/04/Familiarisation-Programme-for-ID-for-FY-24-25.pdf>.

#### Separate Meeting of Independent Directors:

In compliance with the provisions of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on March 21, 2025. At the meeting, the Independent Directors reviewed the performance of Non-Independent Directors, the Board as a whole and committees, assessed the performance of the Chairman of the Company taking into account the views of Executive Directors and evaluated the quality, quantity, and timeliness of information flow between the Company's Management and the Board.

Mr. Bharat Jhamvar was unanimously elected as the Chairman of the Independent Directors' Meeting.

#### Attendance of Independent Directors in Independent Directors Meeting:

Directors	Meetings held during Year	Meetings Attended
Mr. Parantap Dave*	1	-
Ms. Shreya Desai**	1	-
Mr. Sachin Abhyankar***	1	1
Mr. Paulo Manuel Ferreira Moura De Castro	1	1
Mr. Bharat Kishore Jhamvar	1	1



\*Mr. Parantap Dave ceased to hold office as a Non-Executive Independent Director of the Company upon completion of his tenure, effective August 08, 2024.

\*\*Ms. Shreya Desai resigned from the position of Non-Executive Independent Director of the Company, with effect from September 30, 2024.

\*\*\*Mr. Sachin Abhyankar is redesignated as Non-Executive Independent Director w.e.f. June 24, 2024

#### Confirmation of Board Regarding Independent Directors:

Based on the declarations submitted by the Independent Directors and in accordance with Regulation 25(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board is of the opinion that all Independent Directors meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. The Board further confirms that the Independent Directors are independent of the management.

#### Confirmations by the Independent Directors:

All Independent Directors have submitted their annual declarations confirming that they meet the criteria of independence as outlined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Additionally, they have provided declarations under Rule 6(3) of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirming compliance with Rule 6(1) and (2), stating that their names are registered in the databank maintained by the Indian Institute of Corporate Affairs ("IICA").

Based on these declarations and the Board's due assessment of their veracity, the Board, in accordance with Regulation 25(9) of the SEBI Listing Regulations, has opined that the Independent Directors fulfil the conditions of independence as specified under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, and are independent of the Management.

#### Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his/her tenure along with a confirmation by such Director that there are no other material reasons other than those provided:

Ms. Shreya Desai, an Independent Director of the Company, resigned before the expiry of her

tenure during the financial year 2024-25 due to her preoccupation with other professional commitments. She has confirmed that there are no other material reasons for her resignation other than those stated above.

### 3. COMMITTEES OF THE BOARD

The Board of Directors has constituted various Board Committees to address specific areas and activities that require closer scrutiny and focused attention. These Committees have been formed in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, concerning the constitution of Board Committees. The composition, terms of reference, and duties and responsibilities of each Committee are aligned with the requirements of the Companies Act 2013 and the SEBI Listing Regulations.

The Committees operate under the direct supervision of their respective members. The Chairperson of each Committee is responsible for reporting the deliberations and decisions of the Committee to the Board. The recommendations of the Committees are then submitted to the Board for timely approval and action.

Currently, the Board has constituted four (4) Committees.

#### 1. AUDIT COMMITTEE:

Pursuant to Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013, the Audit Committee of the Company has been constituted.

The Audit Committee's role flows directly from the Board's overview function on Corporate Governance, which holds the management accountable to the Board and the Board accountable to the stakeholders.

Over the years the Committee has been reconstituted and from time to time to align it with the requirements of the applicable laws, rules and regulations. The present composition of the Audit Committee is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on March 31, 2025, the Audit Committee comprises of three (3) Members out of which two (2) are Non-Executive Independent Directors.

The Audit Committee also invites at its meetings senior executives/ Management Representatives as an when required. The representatives of the Auditors are also invited to the meetings. The Company Secretary & Compliance Officer acts as the Secretary to the Committee.

#### Composition of Committee, Meetings and Attendance during financial year 2024-25

The Members of the Committee are financially literate, possess accounting and related financial

Sr No.	Name of the Director	Designation	Category*	No. of Meetings attended
1	Mr. Parantap Dave**	Chairman	I	3
2	Mr. Sachin Abhyankar (as on 31.03.2025)	Chairman	I	3
3	Mr. Krishna Jhunjhunwala (as on 31.03.2025)	Member	ED	6
4	Mr. Bharat Jhamvar (as on 31.03.2025)	Member	I	5

\*ED – Executive Director; NED – Non-Executive Director; I – Independent

**\*\*The Audit Committee was reconstituted on June 24, 2024, with the induction of Mr. Sachin Abhyankar in place of Mr. Parantap Dave. Consequent to such change Mr. Parantap Dave ceased to be the Chairperson of the Committee, and Mr. Sachin Abhyankar was designated as the new Chairman.**

#### Terms of reference:

The terms of reference of the Audit Committee covers the areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the SEBI Listing Regulations, which includes the following:

#### A. Powers of the Audit Committee:

- ☐ To investigate any activity within its terms of reference.
- ☐ To seek information from any employee.
- ☐ To obtain outside legal or other professional advice.
- ☐ To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### B. Role of Audit Committee:

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to

the board for approval, with particular reference to:

- (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- (b) changes, if any, in accounting policies and practices and reasons for the same;
- (c) major accounting entries involving estimates based on the exercise of judgment by management;
- (d) significant adjustments made in the financial statements arising out of audit findings;
- (e) compliance with listing and other legal requirements relating to financial statements;
- (f) disclosure of any related party transactions;
- (g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds



raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter;

- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments existing as on the date of coming into force of this provision
- (22) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders

C. The audit committee shall mandatorily review the following information:

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) Internal audit reports relating to internal control weaknesses; and
- (5) the appointment, removal, and terms of remuneration of the internal auditor shall be subject to review by the audit committee.
- (6) statement of deviations:
- (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
- (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

2. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19, read with Part D(A) of

Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Composition of Committee, Meetings and Attendance

The composition of the Committee is in line with the provisions the Act, and the rules made thereunder and SEBI Listing Regulations. The

Sr No.	Name of the Director	Designation	Category*	No. of Meetings attended
1	Mr. Parantap Dave	Chairman	I	2
2	Mr. Sachin Abhyankar (as on 31.03.2025) ^^	Chairman	I	2
3	Ms. Shreya Desai	Chairman	I	2
4	Mr. Bharat Jhamvar (as on 31.03.2025)^^	Member	I	2
5	Mr. Paulo Manuel Ferreira Moura De Castro (as on 31.03.2025)	Member	I	1

\* I - Independent Director

^^For the Financial Year 2024-25, the Nomination and Remuneration Committee underwent two reconstitutions. Initially, Mr. Parantap Dave served as the Chairman of the Committee. Following the first reconstitution on June 24, 2024, Mr. Bharat Jhamvar was inducted as a member in place of Mr. Parantap Dave, and Ms. Shreya Desai was appointed as the Chairperson. Subsequently, upon the second reconstitution on October 28, 2024, Mr. Sachin Shashikant Abhyankar was inducted in place of Ms. Shreya Desai and assumed the role of Chairman of the Committee.

Terms of reference

In accordance with the provisions of Section 178 of the Act and Regulation 19(4) read with Part D(A) of Schedule II of SEBI Listing Regulations, the roles, powers, and broad terms of reference of Nomination & Remuneration Committee, inter alia includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel, and other employees;
2. For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
- a) use the services of an external agencies, if required;
- b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

Committee consists of three (3) Non-Executive Independent Directors. The Chairperson of the Committee is an Independent Director.

During the FY 2024-25, the Committee met four (4) times viz., May 10, 2024, June 24, 2024, December 10, 2024 and January 30, 2025.

- c) consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
4. Devising a policy on diversity of Board of Directors;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommending to the Board their appointment and removal;
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
7. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

Performance Evaluation Criteria for Independent Directors

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective



deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

#### Remuneration of directors Remuneration Policy

The Nomination cum Remuneration Policy ("NRC Policy") of the Committee is in compliance of Section 178 of the Companies Act, 2013 read with the applicable rules made there under and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The NRC Policy can be accessed at <https://www.sarlafibers.com/wp-content/uploads/2024/01/9.Nomination-and-Remuneration-Policy.pdf>

#### Details of Remuneration as on March 31, 2025

##### i. Remuneration to Executive Directors

The Board of Directors and the Nomination and Remuneration Committee are empowered to determine the remuneration of the Executive Directors, subject to approval by the Members of the Company, if any. The remuneration structure includes fixed components such as salary, perquisites, and retirement benefits in accordance with applicable laws and rules. The Company has obtained shareholders' approval by way of a Special Resolution for the Sarla Performance Fibers Limited Employee Stock Option Plan (ESOP) Scheme 2025, no stock options have been granted under the scheme as of date, and there has been no further implementation of the same. Accordingly, the Company does not currently have any active stock option scheme in place for its directors.

As on March 31, 2025, the Company has three (3) Executive Directors, comprising one (1) Managing Director and two (2) Executive Directors. The remuneration paid to the Managing Director and Executive Directors is in compliance with Section 197 and Schedule V of the Companies Act, 2013 and is based on the recommendations of the Nomination and Remuneration Committee, as approved by the Members. The terms of service, including notice periods, are governed by the agreements entered into between the Company and the respective Directors.

##### ii. Remuneration to Non-Executive Directors including Independent Directors

Non-Executive Directors of the Company are paid sitting fees for attending meetings of the Board and its Committees. No commission was paid to any Non-Executive Director during the year under review.

The Company does not have any pecuniary relationship or transactions with its Non-Executive and Independent Directors, other than the payment of sitting fees for attending Board and Committee meetings. These payments are made within the limits prescribed under the Companies Act, 2013 and the Rules framed thereunder. The remuneration payable to Non-Executive Directors is determined based on the recommendation of the Nomination and Remuneration Committee and approved by the Board of Directors.

##### iii. Details of Remuneration to Executive and Non-Executive Directors as on March 31, 2025, including Independent Directors.

(In Rs.)

Name of Director	Basic Salary	**Benefits/ Allowances / Perquisites	Bonus/ Commission	Sitting Fees	*Pension/PF	Stock Options#	Total
<b>For Managing Director &amp; Executive Directors</b>							
Mr. Krishna Jhunjunwala	73,77,800	1,06,22,200	-	-	-	-	1,80,00,000
Ms. Neha Jhunjunwala	7,20,000	10,80,000	-	-	-	-	18,00,000
Mr. Kanav Jhunjunwala	4,80,000	14,28,000	-	-	-	-	19,08,000
<b>Sub Total (a)</b>	<b>85,77,800</b>	<b>1,31,30,200</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,17,08,000</b>
<b>For non-executive, including Independent Directors</b>							
Mr. Parantap Dave	-	-	-	1,80,000	-	-	1,80,000

Name of Director	Basic Salary	**Benefits/ Allowances / Perquisites	Bonus/ Commission	Sitting Fees	*Pension/PF	Stock Options#	Total
Mr. Paulo Manuel Ferreira Moura De Castro^	-	-	-	-	-	-	-
Ms. Shreya Desai	-	-	-	1,20,000	-	-	1,20,000
Mr. Sachin Shashikant Abhyankar	-	-	-	2,70,000	-	-	2,70,000
Mr. Bharat Kishore Jhamvar	-	-	-	3,00,000	-	-	3,00,000
<b>Sub Total (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,70,000</b>	<b>-</b>	<b>-</b>	<b>8,70,000</b>
<b>Sub Total (a+b)</b>	<b>85,77,800</b>	<b>1,31,30,200</b>	<b>-</b>	<b>8,70,000</b>	<b>-</b>	<b>-</b>	<b>2,25,78,000</b>

^Mr. Paulo has waived his entitlement to sitting fees

\*Contributions to Provident Fund are waived off

\*\*including reimbursements claimed, housing/accommodation, loan, club facility, if any

# The Company has obtained shareholders' approval through a Special Resolution for the Sarla Performance Fibers Limited Employee Stock Option Plan (ESOP) Scheme 2025. However, no stock options have been granted under the scheme to date, and there has been no further implementation thereof."

None of the Directors are related to each other in any manner except Executive Directors.

Apart from the above, there are no other pecuniary relationships or transactions of the Non-Executive Directors with the Company.

#### Details of fixed component and performance linked incentives paid for the financial year 2024-25:

(In Rs.)

Name of Director	Salary	
	*Fixed	Performance Linked Incentives
Mr. Krishna Jhunjunwala	1,80,00,000	0
Ms. Neha Jhunjunwala	18,00,000	0
Mr. Kanav Jhunjunwala	19,08,000	0
<b>Total</b>	<b>2,17,08,000</b>	<b>0</b>

\* Includes Reimbursement claimed, housing/accommodation and the perquisite values.

#### Details of Service Contracts, Notice Period/Tenure, etc. of all the Directors for the financial year:

Sr No.	Name of Director	Period/Tenure	Service Contract	Notice Period	Severance fees, if Any
1	Mr. Krishna Jhunjunwala	1st October, 2024 to 30th September, 2029	Yes	None	None
2	Ms. Neha Jhunjunwala	12th February, 2022 to 11th February, 2027	Yes	None	None
3	Mr. Kanav Jhunjunwala*	25th April 2025 to 24th April, 2030	Yes	None	None
4	Non-Executive Directors other than Independent Directors	Not Applicable as there are no Non-Executive Directors other than Independent Directors	Not Applicable	Not Applicable	Not Applicable

\*Mr. Kanav Jhunjunwala was re-designated as Whole-Time Director of the Company with effect from April 25, 2025, i.e., the date of the Board Meeting in which this Report is approved for a period of Five Year.



**iv. Particulars of Senior Management of SPFL during the year under review.**

The Committee to recommend to the Board the remuneration of the Senior Management in accordance with the Nomination and Remuneration Policy.

[Explanation: "Senior Management" shall mean officers/personnel of the Company who are members of core management

team excluding Board of Directors and shall comprise of all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include functional Heads, by whatever name called and the Company Secretary and the Chief Financial Officer]

Name of Senior Management Personnel	Category
Mr. Sunil Jhunjunwala	Vice President
Mrs. Vrinda Jhunjunwala	Export Head
Mr. Satish Malsaria	Sales Head
Mr. Varun Narula	Operations Head
Mr. Kayvanna Shah*	Chief Financial Officer
Ms. Radhika Sharma^^	Company Secretary & Compliance Officer
Mrs. Meena Jain^^	Company Secretary & Compliance Officer
Mr. Kapil Raj Yadav**	Company Secretary & Compliance Officer

\*Mr. Kayvanna Shah was appointed as a Chief Financial Officer of the Company effective June 24, 2024, in place of Mr. Mukesh Deopura, who resigned from his position on March 26, 2024.

^^Mrs. Meena Jain was appointed as a Company Secretary & Compliance Officer of the Company on December 10, 2024, in place of Ms. Radhika Sharma, who resigned on September 13, 2024. Subsequently, Mrs. Meena Jain resigned effective March 31, 2025.

\*\*Mr. Kapil Raj Yadav was appointed as the Company Secretary and Compliance Officer of the Company, effective April 25, 2025.

**3. STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Stakeholders' Relationship Committee has been constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20, read with Part D(B) of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee is primarily responsible for addressing various matters related to the interests of shareholders and other stakeholders, including redressal of

investor grievances.

**Composition of Committee, Meetings and Attendance**

The composition of the Committee is in line with the provisions the Act, and the rules made thereunder and SEBI Listing Regulations.

As of 31<sup>st</sup> March 2025, the Committee is headed by Mr. Sachin Abhyankar, a Non-Executive Independent Director.

The Committee met four (4) times during the financial year under review. The said meetings were held on May 10, 2024, July 29, 2024, October 28, 2024 and January 30, 2025 respectively.

Sr No.	Name of the Director	Designation	Category*	No. of Meetings attended
1	Mr. Parantap Dave	Chairman**	I	1
2	Mr. Sachin Abhyankar^	Chairman**	I	3
3	Ms. Shreya Desai^^	Member	I	2
4	Mr. Bharat Jhamvar^^	Member	I	1
5	Mr. Krishna Jhunjunwala	Member	ED	4

\*ED - Executive Director; I - Independent Director

^The Stakeholders' Relationship Committee was re-constituted thereby inducting Mr. Sachin Abhyankar in place of Mr. Parantap Dave dated June 24, 2024

^^The Stakeholders' Relationship Committee was re-constituted thereby inducting Mr. Bharat Jhamvar in place of Mr. Shreya Desai dated October 28, 2024

\*\*For the Financial Year 2024-25

Mr. Parantap Dave served as the Chairman of the Stakeholders' Relationship Committee initially. Subsequently, upon reconstitution, Mr. Sachin Shashikant Abhyankar assumed the role of Chairman.

**Terms of reference**

The role and terms of reference of Stakeholders' Relationship Committee, inter alia includes the following:

- Resolving grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt

of dividend warrants/annual reports/statutory notices by the shareholders of the company;

- Carry out any other function as is referred by the Board from time to time and/or enforced by any statutory notification/amendment or modification as may be applicable.
- Resolving grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants.
- Overseeing the performance of the Company's Registrar and Share Transfer Agent.

**Details of Compliance Officer:**

**Name and Designation of Compliance Officer:** Kapil Raj Yadav, Company Secretary & Compliance Officer

**Communication details:**

Kapil Raj Yadav  
Company Secretary and Compliance Officer  
Sarla Performance Fibers Limited  
304, Arcadia, 195 Nariman Point, Mumbai - 400021  
Tel: 2283 4116 /  
E-mail: investors@sarlafibers.com

Number of Shareholders Complaints pending as on March 31, 2025:

Sr. No	Nature of Complaint	Opening as on April 1, 2024	Received during the year	Resolved during the year	Closing as on March 31, 2025
1	Complaints	0	2	2	0

As on the date of this report, all the complaints/issues have been resolved satisfactorily.

**4. CORPORATE SOCIAL RESPONSIBILITY ("CSR") COMMITTEE**

The Corporate Social Responsibility('CSR') Committee of the Company was constituted in September 2014 as per the applicable provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, including amendments thereof and was reconstituted from time to time. As on March 31, 2025, the Committee consisted of three (3) members of whom one (1) is Non-Executive Independent Director.

Ms. Neha Jhunjunwala is the Chairperson of the Corporate Social Responsibility Committee.

**Composition of Committee, Meetings and Attendance**

The Committee met once (1) times during the financial year under review i.e., on March 17, 2025

Sr No.	Name of the Director	Designation	Category*	No. of Meetings attended
1	Mr. Kanav Jhunjunwala	Chairman	ED	1
2	Ms. Neha Jhunjunwala	Member	ED	1
3	Mr. Paulo Moura	Member	I	1

\*ED - Executive Director; I - Independent Director

The Corporate Social Responsibility (CSR) Committee of the Company was reconstituted on multiple occasions during the year. On June 24, 2024, Mr. Sachin Abhyankar and Mr. Bharat Jhamvar were inducted into the Committee in place of Mr. Parantap Dave and Ms. Shreya Desai. Subsequently on January 30,



2025, the Committee was reconstituted again with the induction of Mr. Kanav Jhunjunwala, Ms. Neha Jhunjunwala and Mr. Paulo Moura in place of Mr. Krishna Jhunjunwala, Mr. Sachin Abhyankar and Mr. Bharat Jhamvar.

#### Terms of reference

**The role and broad terms of reference of CSR Committee, inter alia includes the following:**

1. Formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII.
2. Recommending the amount of expenditure to be incurred on the activities referred to in clause (i);
3. Deciding the CSR Projects or Programs to be taken up by the Company either directly or through registered trust or registered society or a Company established by the Company or its holding or subsidiary or associate Company under Section 8 of the Act or otherwise;
4. Monitoring the Corporate Social Responsibility Policy of the Company from time to time;
5. Overseeing the progress of the CSR Projects or Programs rolled out under CSR Policy as may be required;
6. Submission of Report to the Board on all CSR Activities undertaken during the year; and monitoring and reviewing the implementation of the CSR Policy.

The details of CSR initiatives undertaken by the Company for the FY 2024-25 are mentioned in the CSR Report "Annexure V of Board Report" which forms a part of this Annual Report.

#### 5. RISK MANAGEMENT COMMITTEE ("RMC")

The listed entity does not fall under the criteria to mandatorily form a risk management committee as per Regulation 21 of the SEBI Listing Regulations. Therefore, no disclosure for the same has been made.

#### 4. POLICIES, AFFIRMATIONS AND OTHER DISCRETIONARY DISCLOSURES

- i. With regards to the Corporate Governance, the Company is in compliance with the requirements under regulation 17 to 27 read with Schedule V and clause (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board

of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

- ii. During the year under review, all the related party transactions that were entered into were on an arm's length basis and in the ordinary course of business, and there were no material related party transactions that had potential conflict with the interest of the Company at large.

The details of the transactions with the related parties are placed before the Audit Committee on a quarterly basis in compliance with the provisions of Section 177 of the Companies Act, 2013 and Rules framed thereunder and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of Related Party Transactions are disclosed in the notes to the Financial Statements as per the applicable Indian Accounting Standards.

Pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted a Policy on materiality of the Related Party Transactions and on dealing with Related Party Transactions. The Policy is available on the Company's website at <https://www.sarlafibers.com/wp-content/uploads/2024/01/14.Related-Party-Transaction-Policy.pdf>

- iii. The Company has complied with all the requirements of the Stock Exchanges, SEBI, or any other statutory authority(ies) on any matter related to capital markets during the last three years, and no penalties or strictures have been imposed against it in relation to the capital markets by such authorities during this period, **except** the Company paid a sum of ₹359.85 lakhs, inclusive of interest and penalty, towards liabilities arising from the disallowance of input tax credit pursuant to an audit conducted by the GST authorities for the financial years 2018-19 to 2022-23.

#### Further, during the previous financial year -

- (A) Fine of ₹58,000 (excluding GST) was levied by the National Stock Exchange of India Limited (NSE) via notice dated August 21, 2023.

Pursuant to the same, the Company has applied for a waiver and requested a revision and refund of the fine, for which a response is awaited.

- (B) The Company received a GST Recovery Order dated October 13, 2023, for ₹643.51 lakhs from the GST Department, pertaining to the GST refund availed on exports made on payment of IGST from the EOU unit for FY 2018-19 to 2021-22. Based on legal advice, the Company has approached the Hon'ble Bombay High Court challenging the order and seeking a stay on the demand. Concurrently, an appeal has been filed before the Appellate tribunal, and the matter remains pending adjudication. The Company believes, and has also been advised, that its refund claim was proper and that the recovery order is not legally sustainable.

During the FY 2024-25, the Company does not have any material listed/unlisted subsidiary companies as defined in Regulation 16 of the SEBI Listing Regulations. However, the Company has framed the policy for determining material subsidiary as required and the same is disclosed on the website of the Company at the link <https://www.sarlafibers.com/wp-content/uploads/2024/01/12.-Policy-for-Determining-Material-Subsidiary.pdf>

As per the requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Company has established a Whistle Blower Policy for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct policy. The policy is also put up on the website of the Company at the link <https://www.sarlafibers.com/wp-content/uploads/2024/01/15-Whistle-Blower-Policy.pdf> and during the year under review, the

Board affirms that no personnel were denied access to the Audit Committee.

The senior management of the Company make timely disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have personal interest in any transaction or matter that may have a potential conflict with the interest of the Company. The Particular of senior management of the Company including therein since the close of the previous financial year is disclosed previously in this Report.

- iv. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) - Not Applicable
- v. Certificate from a Company Secretary in practice confirming compliance with the corporate governance norms, and a certificate of non-disqualification of directors confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any other statutory authority, are annexed as **Annexure B and Annexure C** to this Corporate Governance Report for the year 2024-25."
- vi. The Managing Director and Chief Financial Officer of the Company have issued a certificate pursuant to the provisions of Regulation 17(8) of the SEBI (LODR) Regulations, 2015, certifying that the financial statements do not contain any untrue statement and that these statements present a true and fair view of the Company's affairs. The said certificate is annexed as **Annexure D**.
- vii. There were no instances during the financial year 2024-2025 wherein the Board had not accepted recommendations made by any committee of the Board.
- viii. CNK & Associates LLP (Firm Registration No. 101961W) have been appointed as the Statutory Auditors of the Company and M/s C. Sharat & Associates (FRN:128593W) are appointed as Auditors for Sarlaflex INC. & Sarla Overseas Holding Limited, Wholly Owned Subsidiary(ies) of the Company.



As required under Regulation 34 read with Part C of the Schedule V of the SEBI Listing Regulations, the total fees paid by the Company and its Subsidiaries on a consolidated basis, to the Statutory Auditor and all entities in the network firm/ entity of which the statutory auditor is a part, for FY 2024-25 are as under:

(Rs. lakhs)

Particulars	By SPFL	By Subsidiaries	Total Amount
Services as statutory auditors (including quarterly audits)	18.75	0.50	19.25
Certification Charges	2.85	-	2.85
Re-imbursement of out-of-pocket expenses	0.25	-	0.25
Other matters	-	-	-
<b>Total</b>	<b>21.85</b>	<b>0.50</b>	<b>22.35</b>

- ix. For FY 2024-25, the Auditors have expressed an unmodified opinion on the Financial Statements of the Company. The Company continues to adopt best practices to ensure a regime of unmodified Financial Statements.
- x. The Internal Auditors of the Company report to the Audit Committee of the Company and their comments/ observations thereof are further placed to Board, to ensure independence of the Internal Audit function.
- xii. The Company ensures that the disclosure of all the information is disseminated on a non-discretionary basis to all the shareholders. During the year, the Company's quarterly/ half yearly/yearly results were published in one English daily newspaper circulated all over India/substantially all over India, viz. Financial Express (all India Editions) and in one Gujarati daily newspaper having regional circulation, viz. Gujarat Guardian and on the website of the Stock Exchange. The same are uploaded on the website of the Company- [www.sarlafibers.com](http://www.sarlafibers.com) and are not circulated separately to the Shareholders.
- xiii. The Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors, Officers, Managers and Employees of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.
- xiv. The Company is committed to ensuring that all employees work in an environment that not only promotes diversity and

equality but also mutual trust, equal opportunity and respect for human rights. The Company is also committed to providing a work environment that ensures every woman employee is treated with dignity, respect and afforded equal treatment.

The Company has formulated a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder which is aimed at providing every woman at the workplace a safe, secure and dignified work environment. The same is disclosed on the Company's website - <https://www.sarlafibers.com/wp-content/uploads/2024/01/POSH-Policy-Sarla.pdf>

Sr. No.	Particulars	No. of Complaints
1.	Number of complaints filed during the FY 2024-25	Nil
2.	Number of complaints disposed of during the FY 2024-25	Nil
3.	Number of complaints pending as on end of the FY 2024-25	Nil

- xv. During the year under review, the Company has not granted any loans, secured or unsecured, to companies/firms in which Directors are interested. However, the loans granted earlier to wholly owned subsidiary of the Company can be referred in the Note no. 51 of the Standalone Financial Statements.

- xvi. The Company follows Indian Accounting Standards (Ind AS) issued by the Ministry of Corporate Affairs (MCA) in the preparation of its financial statements. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.
- xvii. The Company has complied with all the mandatory requirements as stipulated under Regulation 27 of the SEBI Listing Regulations with the Stock Exchanges except for the non-compliances mentioned above and has also adopted the following Non-Mandatory Discretionary requirement as prescribed in Part E of Schedule II to Regulation 27 of the Listing Regulations, as amended from time to time.

- xviii. The Company affirms that the disclosures regarding compliance with the corporate governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, have been made and are incorporated in the Corporate Governance section of this Annual Report.
- xix. In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2024	1	2000
Shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Shareholders to whom shares were transferred from the suspense account during the year	0	0
Shareholders whose shares were transferred to suspense account during the year	1	4000
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2025	2	6000

The voting rights on the shares outstanding in the suspense account as on March 31, 2025, shall remain frozen till the rightful owner of such shares claims the shares.

- xx. The Board periodically reviews Compliance Reports, pertaining to all laws applicable to the Company, received from the respective departments, from time to time, as well as steps taken by it to rectify instances of non-compliances, if any.
- xxi. There has been no Non-compliance of any requirement of corporate governance report during the period under review.



**5. GENERAL BODY MEETINGS:****a. Details Last three (3) Annual General Meetings ('AGM'):**

Financial Year	Date and Time of AGM	Venue	Special Resolution
2023-2024	August 08, 2024 at 09:30 a.m.	Meeting held through Video Conferencing (VC)/ Other Audio Visual Means	<p>a. Re-designation and Re-appointment of Mr. Krishna Jhunjhunwala (DIN:00097175) as the Executive Chairman and Managing Director of the Company</p> <p>b. Re-appointment of Mr. Paulo Manuel Castro Ferreira Moura (DIN:08459844) as a Non-Executive Independent Director of the Company</p> <p>c. To approve ratification of appointment of Mr. Bharat K. Jhamvar (DIN: 00211297) as a Non-Executive Independent Director of the Company</p> <p>d. To consider and approve re-designation of Mr. Sachin Shashikant Abhyankar (DIN: 02760746) as a Non-Executive Independent Director of the Company</p>
2022-2023	September 21, 2023, at 03:00 p.m.	Meeting held through Video Conferencing (VC)/ Other Audio Visual Means	No Special Resolution was passed.
2021-2022	September 28, 2022, at 01:00 p.m.	Meeting held through Video Conferencing (VC)/ Other Audio Visual Means	Re-appointment of Ms. Shreya Desai (DIN: 08041995), as an Independent Director of the Company for a second term.

All Special Resolutions set out in the notices for the Annual General Meeting were passed by Members at the respective meeting with requisite majority. In the above Annual General Meetings necessary quorum was present.

**b. Extraordinary general meeting**

No Extra-Ordinary General Meeting was held during FY 2024-25.

**c. Resolution passed through postal ballot and details of voting pattern**

During the financial year 2024-25, a Special Resolution for the approval of the Sarla Performance Fibers Limited Employee Stock Option Plan (ESOP) Scheme 2025 and a Special Resolution for approval of the Extension of 'Sarla Performance Fibers Limited Employee Stock Option Plan (ESOP) Scheme 2025' to employees of subsidiary company(ies) of the Company was passed through postal ballot. The details of the

voting pattern are provided in the postal ballot results disclosed to the stock exchanges and uploaded on the Company's website.

**d. Special Resolution proposed to be conducted through postal ballot**

The Company has appointed CS Swati Gupta, Practicing Company Secretary, M. No. F5766, COP No. 12245, to act as the Scrutinizer, for conducting the Postal Ballot only through the remote e-Voting process and for scrutinising the votes cast therein, in a fair and transparent manner.

The Scrutinizer will submit her report to the Chairman of the Company and the results of the voting by Postal Ballot will be announced not later than two working days from the conclusion of the e-voting. The results declared along with the Scrutinizer's Report shall be communicated in the manner provided in this Postal Ballot Notice.

The said results along with the Scrutinizer's Report was intimated to BSE Limited and National Stock Exchange of India Limited, where the Equity Shares of the Company are listed. The results will also be uploaded on the Company's website at <https://www.sarlafibers.com/> and on the website of NSDL <http://www.evoting.nsdl.com/>.

**e. procedure for postal Ballot.**

The Company engaged the services of NSDL for facilitating remote e-Voting to enable the Members to cast their votes electronically.

The Company sent the Postal Ballot Notice in electronic form only to those Equity Shareholders whose names appeared in the Register of Members/List of Beneficial Owners as received from NSDL and CDSL and whose e-mail addresses were available with the Company/ Depositories/the Depository Participants/the Company's Registrar and Share Transfer Agent as on the cut-off date.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members who desired to exercise their votes by electronic mode were requested to vote before close of business hours on the last date of e-Voting.

The Scrutiniser, after the completion of scrutiny, submitted his report and the consolidated results of the Postal Ballot through remote e-Voting were announced by the Company Secretary on 07<sup>th</sup> March 2025.

The results are displayed on the website of the Company, besides being communicated to the stock exchanges, depository and Registrar and Share Transfer Agent. The resolutions are deemed to have been passed on 06<sup>th</sup> March 2025, the last date specified for receipt of votes through remote eVoting process.

**6. MEANS OF COMMUNICATION**

The quarterly, half-yearly and Annual Financial Results of the Company to be published in the proforma prescribed by the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) are approved and taken on record by the Board of Directors of the Company within the statutory timelines. The approved results are forthwith sent to Stock Exchanges in the manner as prescribed in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the results in the prescribed proforma along with the detailed press release, if any are published within 48 hours in the media ensuring wider publicity. The audited annual financial results are published within the stipulated period as required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, with the Stock Exchanges.

□ The quarterly, half yearly and Annual Financial Results of the Company are uploaded on the electronic portals of BSE and NSE and the same are also published in English and Gujarati Language Newspapers, namely Financial Express & Gujarat Guardian, respectively.

The same are also uploaded on the website of the Company at <https://www.sarlafibers.com/>

□ During the year under review there were no official news releases and presentations on significant/material developments in the Company.

Currently the company is not engaged with any institutional investor/analyst, hence no details are provided with respect to same. Further, details about the Company and its shares are uploaded on the Company's website at <https://www.sarlafibers.com/stock-information/>



**7. GENERAL SHAREHOLDER INFORMATION**

<b>Annual General Meeting for FY25</b>	: 32nd Annual General Meeting
<b>Date &amp; Time</b>	: Wednesday, June 25, 2025, at 11:00 a.m.
<b>Venue</b>	Meeting is being conducted through VC/OAVM pursuant to the MCA General Circulars dated May 5, 2020, read with general circulars dated April 8, 2020, April 13, 2020, the latest being September 19, 2024. For details, please refer to the Notice of this AGM.
<b>Financial Year</b>	: April 1, 2024, to March 31, 2025
<b>Dividend payment date</b>	: within 30 days from the conclusion of the AGM.
<b>Listing on Stock Exchanges</b>	: BSE Limited P. J. Towers, Dalal Street, Mumbai 400 001 The National Stock Exchange of India Limited Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051
<b>Stock Codes/Symbol</b>	BSE : Scrip Code - 526885 NSE: Symbol - SARLAPOLY (Listing Fees as applicable have been paid)
<b>ISIN</b>	: INE453D01025
<b>Registered Office</b>	: Survey No. 59/1/4, Amli Piparia Industrial Estate, Silvassa - 396230, Union Territory of Dadra & Nagar Haveli
<b>Corporate Identification Number (CIN)</b>	: L31909DN1993PLC000056
<b>Weather securities are suspended from trading.</b>	: During the year under review, the securities of the Company were not suspended from trading on any stock exchange.
<b>Registrar And Share Transfer Agent</b>	: MUFG Intime India Private Limited (Formerly LINK Intime India Private Limited) C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400 083 Tel.: 022 - 4918 6000 / Fax: 022 - 4918 6060 E-mail: <a href="mailto:rnt.helpdesk@in.mpms.mufig.com">rnt.helpdesk@in.mpms.mufig.com</a> Website: <a href="https://in.mpms.mufig.com/">https://in.mpms.mufig.com/</a>

**SHARE TRANSFER SYSTEM**

The Registrar and Share Transfer Agent (RTA) has implemented an efficient Share Transfer System to ensure timely processing of share transfers. Share transfer requests are registered and returned within the statutory time limits, provided the documents are complete and valid. Requests for dematerialization of shares are processed and confirmations are provided to the respective depositories—NSDL and CDSL—within the prescribed statutory timelines.

In compliance with SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, the Company processes investor service requests, including issuance of

duplicate securities certificates, transmission, transposition, and splitting of certificates, only in dematerialized form. Investors are required to submit Form ISR-4 along with necessary documents. Upon processing, a 'Letter of Confirmation' is issued within 30 days, valid for 120 days. If the dematerialization request is not submitted within this period, the securities are credited to the Company's Suspense Escrow Demat Account, as per SEBI guidelines.

The Stakeholders' Relationship Committee oversees matters related to the transfer, transmission, and issuance of duplicate share certificates concerning the Company's securities. Additionally, as per SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72

dated June 8, 2023, the Company has adopted an online mechanism for processing investor service requests and complaints. This system allows investors to lodge service requests and track their status online, enhancing transparency and efficiency in handling shareholder concerns.

**Share Capital Audit**

The issued and paid-up share capital of the Company is reconciled on a quarterly basis with the aggregate of share capital held in dematerialised form with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"), and in physical form held by the shareholders.

In accordance with Regulation 76 of the SEBI (Depositories and Participants) Regulations,

2018 and other applicable provisions, a qualified Practicing Company Secretary conducts a quarterly audit for the purpose of reconciling the total issued and listed capital with the aggregate share capital held in depositories and in physical form. This audit ensures the correctness of the share capital and compliance with statutory requirements relating to dematerialisation and listing of shares.

The Reconciliation of Share Capital Audit Report, certified by the Practicing Company Secretary, is submitted to the BSE Limited and the National Stock Exchange of India Limited within the prescribed timeline and is also placed before the Board of Directors at its ensuing meeting for review and noting.

**a) Distribution of Shareholding**

Range of Holding	No. of Shareholders	% of Shareholders	No. of Shares	Value	% to Capital
1 to 5000	38,205	98.35%	12,307,042	12,307,042	14.74%
5001 to 10000	339	0.87%	2,539,920	2,539,920	3.04%
10001 to 20000	153	0.39%	2,248,150	2,248,150	2.69%
20001 to 30000	56	0.14%	1,413,090	1,413,090	1.69%
30001 to 40000	16	0.04%	565,845	565,845	0.68%
40001 to 50000	10	0.03%	458,887	458,887	0.55%
50001 to 100000	25	0.06%	1,874,558	1,874,558	2.24%
Greater than 1,00,000	40	0.10%	6,20,95,508	6,20,95,508	74.37%
<b>Total</b>	<b>38,844</b>	<b>100.00%</b>	<b>8,35,03,000</b>	<b>8,35,03,000</b>	<b>100.00%</b>

**b) Categories of Equity Shareholding**

Sr. No.	Category	Number of Shares Held	Percentage of Holding
<b>1</b>	<b>Promoter &amp; Promoter Group</b>		
	Individuals / HUF	22976237	27.52
	Other Entities of Promoter Group	24532929	29.38
	<b>Sub Total (a+b)</b>	<b>47509166</b>	<b>56.90</b>
<b>2</b>	<b>Foreign Holding</b>	0	0.00
	Foreign Portfolio Investors (Category I)	669001	0.80
	Any Other	0	0.00
	<b>Sub Total (a+b)</b>	<b>669001</b>	<b>0.80</b>
3	Institutions (Domestic)	658902	0.79
4	Govt. /Govt. Sponsored Financial Institutions/ Nationalised Banks	375	0.00
5	Investor Education and Protection Fund (IEPF)	853668	1.02
6	Non-Resident Indians (NRI's)	2402761	2.88
7	Other Resident Individuals	27423773	32.84
8	Bodies Corporate	2651956	3.18
9	Clearing Members	3997	0.00
10	LLP & HUF's	1329401	1.59
	<b>Total (From 2 to 12)</b>	<b>8,35,03,000</b>	<b>100</b>



## c) Top 10 Equity Shareholders of the Company

Sr. No	Shareholder's Name	Shares	Percentage
1	Satidham Industries Pvt Ltd	24127297	28.8939
2	Sarladevi Madhusudan Jhunhunwala*	11487389	13.7569
3	Sarladevi Madhusudan Jhunhunwala	3894000	4.6633
4	Krishna Madhusudan Jhunhunwala	3269000	3.9148
5	Anil Goel	2500000	2.9939
6	Madhusudan Jhunhunwala & Sons HUF	2469596	2.9575
7	Dalal & Broacha Stock Broking Pvt Ltd	1670000	1.9999
8	Vijaya S	1000000	1.1976
8	Seema Goel	1000000	1.1976
10	Krishnamurthy Narayanan Iyer	873478	1.0460

\*Ms. Sarladevi Madhusudan Jhunhunwala representing Hindustan Cotton Company in capacity of Partner

## d) Dematerialization of Equity shares and liquidity Status

Particulars	No. of shares	% to Capital
National Securities Depository Limited	1,50,24,783	17.99%
Central Depository Services (India) Limited	6,76,56,107	81.02%
Total Dematted (A)	8,26,80,890	98.94
Physical (B)	822110	0.99%
<b>Total (A + B)</b>	<b>8,35,03,000</b>	<b>100</b>

#### Outstanding GDRS/ ADRS/ Warrants/ any Convertible Instruments, Conversion date and likely impact on Equity

The Company has not engaged into any kind of the above activity.

#### Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company is not engaged in commodity trading and, accordingly, disclosure pursuant to commodity price risks and hedging activities is not applicable. However, the Company actively monitors and manages its foreign exchange exposure and undertakes appropriate hedging measures from time to time to mitigate foreign exchange risks.

#### Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), as amended from time to time, any dividend remaining unclaimed for a period of seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, in accordance with the said Rules, all shares in respect of which dividend has remained unclaimed for seven consecutive years or more are also required to be transferred to the IEPF Authority. However, this requirement shall not apply in cases where there is a specific order of a Court, Tribunal, or any other Statutory Authority restraining such transfer of shares.

In order to safeguard the interest of shareholders, the Company issues periodic reminders to shareholders to claim their unpaid dividends and avoid transfer of their dividend and shares to the IEPF. Additionally, requisite notices are published in newspapers, and details of unclaimed dividends and the corresponding shares liable for transfer to the IEPF are made available on the Company's website at: <https://www.sarlafibers.com>.

The details of unclaimed dividends and shares transferred to the IEPF during the financial year 2024-25 are provided below:

Financial Year	Amount of unclaimed dividend transferred	Number of shares transferred
2016-17 (Final)	14,51,735	25,655
<b>Total</b>	<b>14,51,735</b>	<b>25,655</b>

#### Process for Claiming Dividends and Shares Transferred to IEPF:

Members who have a claim on the dividends and/or shares transferred to the Investor Education and Protection Fund (IEPF) are requested to follow the process outlined below:

**Document Submission:** Submit self-attested copies of the documents as specified in the IEPF-5 Help Kit, available on the IEPF website [www.iepf.gov.in](http://www.iepf.gov.in), to the Company or its Registrar and Transfer Agent (RTA).

**Entitlement Letter:** Upon successful verification of the submitted documents, the Registrar and Transfer Agent (RTA) will issue an **Entitlement Letter** to the claimant.

**Filing IEPF Form-5:** File **Form IEPF-5** online on the IEPF website and send self-attested physical copies of the filed form along with the **SRN Acknowledgement, Indemnity Bond**, and the **Entitlement Letter** to the Company.

**Submission of e-Verification Report:** Upon receipt of all required documents, the Company shall submit an **e-Verification Report** to the IEPF Authority for further processing of the claim.

Members are kindly advised to note that **no claim shall lie against the Company** in respect of dividends and/or shares that have been transferred to the IEPF pursuant to applicable legal provisions.

The table below provides the details of outstanding dividends along with the respective due dates by which the same can be claimed from the Company's RTA before transfer to IEPF:

Sr. No.	Financial Year	Date of Declaration of Dividend	Last Date for Claiming Dividend
1.	2017-18 Final Dividend	28-09-2018	02-11-2025
2.	2018-19 Final Dividend	27-09-2019	01-11-2026
3.	2021-22 Final Dividend	28-09-2022	02-11-2029

Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations

Sarlaflex Inc., a wholly owned subsidiary of the Company, has entered into a lease agreement with Pomega Energy Storage Technologies Inc., a foreign entity with no relation to the Company. This agreement pertains to the leasing of unutilized vacant land and building owned by Sarlaflex Inc. The lease arrangement aims to generate a revenue stream from these assets. A disclosure regarding this agreement was made to the BSE and NSE on April 1, 2024.

#### Credit Rating

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the list of all credit ratings obtained by the Company and revisions thereto during the financial year 2024-25 is provided below:

**As on February 03, 2025,** *Acuité Ratings & Research Limited* downgraded the credit ratings for Sarla Performance Fibers Limited as follows:

- ☐ **Long-term rating:** Downgraded to '**ACUITE BB+**' (read as ACUITE Double B Plus) from '**ACUITE A-**' (read as ACUITE A Minus).
- ☐ **Short-term rating:** Downgraded to '**ACUITE A4+**' (read as ACUITE A Four Plus) from '**ACUITE A2+**' (read as ACUITE A Two Plus).
- ☐ The rating was flagged as "**Issuer Not Cooperating**" due to **information risk** and was based on best available information at the time.

**As on February 24, 2025,** Acuité upgraded the Company's credit ratings as follows:

- ☐ **Long-term rating:** Upgraded to '**ACUITE A**' (read as ACUITE A) from '**ACUITE BB+**'.
- ☐ **Short-term rating:** Upgraded to '**ACUITE A1**' (read as ACUITE A One) from '**ACUITE A4+**'.

The **outlook** assigned to the ratings is '**Stable**'.

Additionally, *Acuité* assigned the following ratings to the Company's additional bank facilities amounting to ₹112.00 crore:

- ☐ **Long-term rating:** '**ACUITE A**' (read as ACUITE A)
- ☐ **Short-term rating:** '**ACUITE A1**' (read as ACUITE A One)



The **outlook** assigned to the ratings is **‘Stable’**.

Plant Locations

Sr. No.	Plant	Address
1.	Silvassa- Piparia	Survey No 66/1/55-A & 66/1/56-A, Village - Amli, Silvassa-396230, UT of Dadra and Nagar Haveli
2	Silvassa- Unit I^	Survey No. 59/1/4, Amli Piparia Industrial Estate, Silvassa - 396 230, Union Territory of Dadra & Nagar Haveli.
3	Silvassa- Unit II	Survey No. 64/2/3/4, 58/1, 64/1/2, Amli Piparia Industrial Estate, Silvassa - 396 230, Union Territory of Dadra & Nagar Haveli
4	Silvassa- Unit III	Survey No. 61/1, 61/2, 62/5, 63/5, 63/7 Amli Piparia Industrial Estate, Silvassa - 396 230, Union Territory of Dadra & Nagar Haveli
5	Vapi	Shed No. A1/48, 100 Sheds Area, GIDC, Vapi - 396 195, Gujarat.
6	Dadra Plant	New Survey No-1513(Old Survey No. 359/2), Dadra - 396191 U.T. Dadra & Nagar Haveli
7	Dadra Plant	Survey No 213 P, Plot No. 11 & 12, Near Dadra Check Post, Dadra - 396 191, Union Territory of Dadra & Nagar Haveli

^Registered Office of the Company

Address for Correspondence:

Investors can communicate at the following addresses:

Company’s Corporate Office:

304, Arcadia,  
195 Nariman Point,  
Mumbai - 400 021  
Tel.: 022 - 2283 4116  
E-mail: investors@sarlafibers.com

Registrar and Share Transfer Agent:

**MUFG Intime India Private Limited**  
(Formerly known as LINK Intime India Private Limited)  
C-101, 247 Park, L. B. S. Marg,  
Vikhroli (West), Mumbai 400 083  
Tel.: 022 - 4918 6000  
Fax: 022 - 4918 6060  
E-mail: rnt.helpdesk@in.mpms.mufig.com

For **Sarla Performance Fibers Limited**

**Krishna Jhunjunwala**

Managing Director  
DIN: 00097175

**Kanav Jhunjunwala**

Whole time Director  
DIN: 09507192

Mumbai  
April 25, 2025

Annexure A

Declaration on Compliance with the Code of Conduct

(As required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I, **Krishna Jhunjunwala**, Managing Director of **Sarla Performance Fibers Limited**, hereby confirm that all the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the **Code of Conduct** of the Company, as applicable to them, for the financial year ended **March 31, 2025**.

For **Sarla Performance Fibers Limited**

**Krishna Jhunjunwala**

Managing Director  
DIN: 00097175

Mumbai  
**April 25, 2025**



Annexure B

CERTIFICATE ON CORPORATE GOVERNANCE

To  
**The Board of Directors**  
**SARLA PERFORMANCE FIBERS LIMITED,**  
Survey Mo 59/1/4, Amlī Pipariā Industrial Estate,  
Silvassa DN-396230

We have examined all the relevant records of **Sarla Performance Fibers Limited** (‘the Company’) having **CIN: L31909DN1993PLC000056** for the purpose of certifying compliance with the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) for the financial year ended March 31, 2025. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring compliance with the conditions of Corporate Governance. This certificate is neither an audit nor an expression of opinion on the Financial Statements of the Company. In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the said Listing Regulations. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**CS SWATI GUPTA**

Membership No.: F5766  
COP No.: 12245

Place: Mumbai  
Date: 22/04/2025  
UDIN No.: F005766G000175001

Annexure C

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
**The Members of**  
**SARLA PERFORMANCE FIBERS LIMITED,**

Survey Mo 59/1/4, Amlī Pipariā Industrial Estate, Silvassa DN-396230

In my opinion and to the best of my information, verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) and according to our examination of the relevant records and information provided by **SARLA PERFORMANCE FIBERS LIMITED** (‘the Company’) having **CIN: L31909DN1993PLC000056** and based on representation made by the Management of the Company for the period from 1st April, 2024 to 31st March, 2025 for the purpose of issuing a Certificate as per Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the LODR Regulations’) read with Part C of Schedule V of the LODR Regulations, I hereby certify that **NONE** of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority for the period as on 31st March, 2025. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**CS SWATI GUPTA**

Membership No.: F5766  
COP No.: 12245

Place: Mumbai  
Date: 22/04/2025  
UDIN No.: F005766G000174981

**Annexure D**  
**Compliance Certificate**  
**[See Regulation 17(8) and Regulation 62D (14)]**  
For the year ended March 31, 2025  
Sarla Performance Fibers Limited

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Sarla Performance Fibers Limited (“the Company”), do hereby certify that:

**A. Review of Financial Statements and Cash Flow Statement**

1. We have reviewed the financial statements and the cash flow statement of Sarla Performance Fibers Limited for the year ended March 31, 2025, and to the best of our knowledge and belief:
- ☐ These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ☐ These statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws, and regulations.

**B. Transactions Compliance**

To the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company’s code of conduct.

**C. Internal Controls for Financial Reporting**

We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the Company’s internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware, and the steps we have taken or propose to take to rectify these deficiencies.

**D. Disclosure to Auditors and Audit Committee**

We have indicated to the auditors and the Audit Committee:

- Significant changes in internal control over financial reporting during the year, if any.
- Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
- Instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

**E. We hereby declare that all the members of the Board of Directors and Executive Committee have confirmed compliance with the code of conduct as adopted by the Company.**

This certificate is given in compliance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For Sarla Performance Fibers Limited**

**Krishna M. Jhunjhunwala**  
Managing Director  
DIN: 00097175

Place: Mumbai  
Date: April 25, 2025

**Kayvanna Shah**  
Chief Financial Officer

**INDEPENDENT AUDITOR’S REPORT**

TO THE MEMBERS OF

**SARLA PERFORMANCE FIBERS LIMITED**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of **Sarla Performance Fibers Limited (“the Company”)**, which comprise the Standalone Balance Sheet as at 31st March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of Material accounting policies and other explanatory information (hereinafter referred to as “the Standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2025, the profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr no	Key Audit Matter	Auditor’s Response
1.	<b>Litigations, Provisions and contingent liabilities</b>  The Company has litigations which also include matters under dispute involving significant Management judgement and estimates on the possible outcome of the litigations and consequent provisioning thereof or disclosure as contingent liabilities.  Refer Note 45.1 to the standalone financial statements.	<b>Audit procedures followed by us include:</b>  As part of audit process, we obtained from the Management details of matters under dispute including ongoing and completed tax assessments, demands and litigations. Our audit approach for the above consists of the following audit procedures: <ul style="list-style-type: none"><li>Evaluation and testing of the design of internal controls followed by the Company relating to litigations and open tax positions for indirect taxes and process followed to decide provisioning or disclosure as Contingent Liabilities;</li><li>Discussed with Company’s management for sufficient understanding of on-going and potential legal matters impacting the Company;</li><li>We involved our internal experts, where necessary, to evaluate the Management’s underlying judgements in making their estimates with regard to such matters.</li></ul>



Sr no	Key Audit Matter	Auditor's Response
2.	<p><b>Information Technology (IT) systems and controls over financial reporting</b></p> <p>We identified IT systems and controls over financial reporting as a key audit matter for the Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue and inventories. Also, due to large transaction volumes and the increasing challenge to protect the integrity of the Company's systems and data, cyber security has become more significant;</p> <p>Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.</p>	<p><b>We applied the following audit procedures among others, to obtain sufficient and appropriate audit evidence by our IT Specialists:</b></p> <ul style="list-style-type: none"><li>Assessed the complexity of the IT environment through discussion with the IT team and identified IT applications including for audit trail (audit log) that are relevant to our audit;</li><li>Assessed the design and evaluation of the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations;</li><li>Performed inquiry procedures with the IT team of the Company in respect of the overall security architecture and any key threats addressed by the Company in the current year;</li><li>Assessed the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company;</li><li>Assessed the operating effectiveness of IT application controls including for audit trail (audit log) in the key processes impacting financial reporting of the Company on test check basis</li></ul>

**Information Other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, and Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon. The other information as above is expected to be made available to us after the date of this audit report.

Our opinion on the standalone financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other

information, we are required to report that fact. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of

audit logs and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the

circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors;
- Conclude on the appropriateness of Management and Board of Directors' use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on

our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books,
  - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS;
  - e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the

Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. Our report expresses modified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone financial statements;

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as on March 31, 2025 on its financial position in its standalone financial statements (Refer Note No. 45.1 to the standalone financial statements);
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. a. The Management has represented that, to the best of its knowledge and belief, as disclosed in note no. 55 (7) to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on

behalf of the Ultimate Beneficiaries;

- b. The Management has represented, that, to the best of its knowledge and belief, as disclosed in note no. 55 (8) to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under iv (a) and iv (b) above, contain any material misstatement.
- v. There were no amounts which were declared or paid during the year as dividend by the company.

- vi. Based on our examination, which included test checks, the company has used accounting software for maintaining its books of account which has the feature of recording audit trail (edit logs) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instances of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

3. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act;

**For C N K & Associates LLP**  
Chartered Accountants

Firm Registration Number: 101961W/W-100036

**Suresh Agaskar**  
Partner

Membership No.: 110321  
UDIN: 25110321BMKWHD5293

Place: Mumbai  
Date: April 25, 2025



ANNEXURE A TO INDEPENDENT AUDITOR’S REPORT

[Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ in the Independent Auditor’s Report of even date to the Members of Sarla Performance Fibers Limited (“the Company”) on the standalone financial statements for the year ended 31st March, 2025]

To the best of our information and according to the explanations provided to us by the Company and the books of accounts and records examined by us in the normal course of audit, we state that:

- (i)

(a)

(A) The Company implemented a new ERP system during the FY 2020-21 wherein full details of Property, Plant and Equipment (PPE) are yet to be integrated in the system. As at 31st March 2025, the Company is still in the process of updating details pertaining to full particulars including quantitative details and situation of PPE;
- (B)

As mentioned above, the Company is in the process of integrating and updating details pertaining to full particulars of intangible assets;
- (b)

The Company has a regular program of physical verification of PPE under which all items of PPE are verified in a phased

manner over a period of three years. This, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. During the year, though the Company has carried out physical verification of its PPE, in the absence of full particulars including quantitative details and situation of PPE, we are not able to comment on discrepancies, if any;

- (c)

Based on our examination of the records provided by the Company and the confirmation for title deeds received from SBICAP Trustee Company Limited (STCL), we report that the title deeds of immovable properties (other than immovable properties where the Company is lessee and lease agreements are duly executed in favour of the lessee) are held in the name of the Company except in the following cases as disclosed in Note No. 4(b) to the standalone financial statements:

(Rs. In Lakhs)

Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Freehold Land	3,028.83	Krishna Jhunjunwala and Neha Jhunjunwala	Yes	F.Y. 2016-17	Being agricultural land cannot be held in the name of the Company.
Freehold Land	69.33	Krishna Jhunjunwala and Neha Jhunjunwala	Yes	F.Y. 2022-23	The Company is in process of conversion of agricultural land to non-agricultural land.
Freehold Land	43.46	Krishna Jhunjunwala	Yes	F.Y. 2022-23	

- (d)

The Company has not revalued any of its PPE (including right-of-use assets) or intangible assets during the year;
- (e)

As disclosed in Note No. 55 (1) to the standalone financial statements, no proceeding has been initiated or is pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;

- (ii)

(a)

The Management has conducted physical verification of inventories except goods-in-transit at regular intervals. In our opinion, considering the size of the Company, the coverage of such verification is reasonable and the procedures are adequate;
- The discrepancies noticed on physical verification were not exceeding 10% in aggregate for each class of inventory and the same has been properly dealt with in the books of accounts;

- (b)

As disclosed in Note No. 27 to the standalone financial statements, the Company has working capital limits sanctioned from banks or financial institutions exceeding five crore rupees during the year and the quarterly returns / statements filed by the Company are materially in agreement with the books of accounts except in respect of quarter ended March 31, 2025 where such quarterly return/statement is yet to be filed;

- (iii)

During the year, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in nature of loans, secured or unsecured to companies, firms, limited liability partnerships or other parties except for investments in debentures/bonds, equity shares, mutual funds, alternative investment funds, loan to employees, in respect of which:

- (a)

(A)

During the year, the Company has not provided any loans or advances in the nature of loans, or stood guarantee, or provided security to any of its subsidiary. Hence reporting under clause 3(iii)(a)(A) of the Order is not applicable;
- (B)

During the year, the Company has provided loans or advances in the nature of loans to other than its Subsidiaries, Associates, Joint Venture, details of which is as below:

(Rs. In Lakhs)

Particulars	Amount
Aggregate amount granted/ provided during the year	
- Employees	14.32
Balance outstanding as at the Balance sheet date in respect of above cases	
Employees	8.33

- (b)

In our opinion, the investments made and the terms and conditions of loan given to employees during the year are prima facie not prejudicial to the interest of the Company;
- (c)

In respect of interest free loans given by Company to its wholly owned subsidiary in earlier years, arrangement does not contain any schedule of repayment of principal (outstanding as on 31st March, 2025 Rs.

219.51 lakhs) and payment of interest and hence not able to make specific comment on the regularity of repayment of principal and payment of interest in respect of such loans. In respect of loans granted by the Company to its employees, where the schedule of repayment of principal and payment of interest has been stipulated, repayments / receipts have generally been regular;

- (d)

In respect of loans given by the Company, there is no overdue amount for more than ninety days as at the Balance Sheet date;
- (e)

No loan granted by the Company has fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans;
- (f)

In respect of loans granted by the Company to its employees during the year, there were no amount granted which were either repayable on demand or without specifying any terms or period of repayment;

- (iv)

The Company has complied with the provisions of Section 185 and 186 of the Act. The Company has made equity and preference share investments, has given interest free unsecured loans to its wholly owned subsidiary.

- (v)

The Company has not accepted any deposits or amounts which are deemed to be deposits to which directives issued by Reserve Bank of India and provisions of Sections 73 to 76 of the Act or other relevant provisions and the Rules framed there under apply. We were informed by the Management that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard;

- (vi)

We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as specified by the Central Government under sub section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the same with a view to determining whether they are accurate or complete;

- (vii)

(a)

On the basis of our examination of records and according to the information and explanations given to us, the Company

has generally been regular in depositing undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service

Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues in arrears as at 31st March, 2025 for a period of more than six months from the date they became payable;

- (b) The particulars of statutory dues that have not been deposited on account of any dispute are as under:

(Rs. In Lakhs)

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved	Amount Unpaid
Central Excise Act, 1944	Penalty	Supreme Court of India	FY 1995-96, 1996-97	150	75
Central Excise Act, 1944	Penalty	CESTAT	FY 1995-96	45	45
Custom Act, 1962	Duty, Interest and Penalty	CESTAT	FY 2011-12 to FY 2016-17	768	768
Goods & Services Tax Act, 2017	Duty, Interest and Penalty	Commissioner of CGST & Central Excise, Appeals	FY 2018-19 to 2021-22	643.51	526.51
Goods & Services Tax Act, 2017	Duty, Interest and Penalty	Commissioner of CGST & Central Excise, Appeals	FY 2017-18 to FY 2022-23	13.54	12.19

- (viii) As disclosed in Note No. 55(4) to the standalone financial statements, there are no transactions which are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961;

- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;

- (b) As disclosed in Note No. 55(2) to the standalone financial statements, the Company is not declared wilful defaulter by any bank or financial institution or other lender;

- (c) During the financial year, the company has not sanctioned any term loan Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable;

- (d) On an overall examination of the standalone financial statements of the Company, funds raised on short term basis have been used for long term purposes

- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries;

- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable;

- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable;

- (xi) (a) No fraud by the Company or on the Company have been noticed or reported during the year;

- (b) No report under sub-section (12) of Section 143 of the Act has been filed in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

- (c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year;

- (xii) The Company is not a Nidhi Company. Accordingly, reporting under clause 3(xii) of the Order is not applicable;

- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Act where applicable and the details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;

- (xiv) (a) In our opinion, The Company has an Internal audit system commensurate with the size and nature of its business;

- (b) We have considered Internal Audit reports issued to the Company during the year and till date for the period under audit;

- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with directors and hence provision of section 192 of the Act are not applicable;

- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a) of the Order is not applicable;

- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(b) of the Order is not applicable;

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable;

- (d) There is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi)(d) of the Order is not applicable;

- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year;

- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Hence, reporting under clause 3(xviii) of the Order is not applicable;

- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;

- (xx) As disclosed in Note No.50 to the standalone financial statements, the gross amount required to be spent by the Company towards Corporate Social Responsibility (CSR) for the year has been duly spent. Accordingly, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order is not applicable;

**For C N K & Associates LLP**  
Chartered Accountants

Firm Registration Number: 101961W/W-100036

**Suresh Agaskar**  
Partner

Membership No.: 110321  
UDIN: 25110321BMKWHD5293

Place: Mumbai  
Date: April 25, 2025



## ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Sarla Performance Fibers Limited ("the Company") on the standalone financial statements for the year ended 31st March, 2025]

### Report on the Internal Financial Controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act

#### Modified Opinion

We have audited the internal financial controls with reference to standalone financial statements of Sarla Performance Fibers Limited ("the Company") as of 31st March, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

During FY 2020-21, Company had implemented new ERP system, which is still in the process of stabilization. Due to the same, the Company is in the process of implementation and testing of controls with respect to certain areas such as valuation of inventories and depreciation / amortization for property, plant and equipment / intangible assets.

In our opinion, except for the possible effects of the weaknesses described above the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2025, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to these Standalone financial statements

A Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

the transactions and dispositions of the assets of the Company;

2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of Management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to Standalone financial statements, including the possibility of collusion or improper Management override of controls, material

misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone financial statements to future periods are subject to the risk that the internal financial control with reference to Standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For C N K & Associates LLP

Chartered Accountants

Firm Registration Number: 101961W/W-100036

Suresh Agaskar

Partner

Membership No.: 110321

UDIN: 25110321BMKWHD5293

Place: Mumbai

Date: April 25, 2025

## Standalone Balance Sheet as at 31st March 2025

(Rs in lakhs)

Particulars	Note No	As at March 31, 2025	As at March 31, 2024
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	4	22,136.48	22,236.71
(b) Other Intangible assets	5	30.62	51.71
(c) Intangible assets under development	6	-	8.49
(d) Financial Assets			
(i) Investments in Subsidiaries	7	5,727.98	6,167.98
(ii) Other Investments	8	23,625.44	14,933.85
(iii) Loans	9	8.35	223.29
(iv) Other financial assets	10	82.93	203.24
(e) Non current Tax Assets (Net)	11	44.32	44.32
(f) Other non-current assets	12	412.33	295.06
<b>Total non-current assets</b>		<b>52,068.44</b>	<b>44,164.65</b>
<b>(2) Current assets</b>			
(a) Inventories	13	8,555.65	7,073.47
(b) Financial Assets			
(i) Investments	14	4,934.25	4,469.62
(ii) Trade receivables	15	9,382.95	9,129.54
(iii) Cash and cash equivalents	16	170.70	219.63
(iv) Bank balances other than (iii) above	17	35.30	810.61
(v) Loans	18	14.81	15.66
(vi) Other financial assets	19	1,223.72	756.38
(c) Other current assets	20	1,294.00	2,038.42
<b>Total current assets</b>		<b>25,611.37</b>	<b>24,513.32</b>
<b>Total Assets</b>		<b>77,679.80</b>	<b>68,677.96</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	21	835.03	835.03
(b) Other Equity	22	50,993.00	46,010.12
<b>Total equity</b>		<b>51,828.03</b>	<b>46,845.15</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	1,533.33	2,300.00
(ia) Lease Liabilities	24	679.97	115.40
(b) Provisions	25	112.50	95.85
(c) Deferred tax liabilities (Net)	26	1,883.99	2,342.47
<b>Total non-current liabilities</b>		<b>4,209.78</b>	<b>4,853.73</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	27	15,469.21	11,047.19
(ia) Lease Liabilities		148.32	75.25
(ii) Trade payables	28		
(A) total outstanding dues of micro enterprises and small enterprises		143.95	492.21
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		3,076.89	3,390.98
(iii) Other financial liabilities	29	1,989.37	1,474.86
(b) Other current liabilities	30	270.11	335.43
(c) Provisions	31	76.26	72.40
(d) Current Tax Liabilities (Net)	32	467.86	90.75
<b>Total current liabilities</b>		<b>21,641.98</b>	<b>16,979.09</b>
<b>Total Liabilities</b>		<b>25,851.76</b>	<b>21,832.81</b>
<b>Total Equity and Liabilities</b>		<b>77,679.80</b>	<b>68,677.96</b>

The accompanying notes are an integral part of the financial statements  
As per our attached report of even date

For **C N K & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm's Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors

**SURESH AGASKAR**  
Partner  
Membership No. 110321

**KRISHNA M. JHUNJHUNWALA**  
Managing Director  
(DIN: 00097175)

**KANAV JHUNJHUNWALA**  
Whole time Director  
(DIN: 09507192)

**KAYVANNA SHAH**  
Chief Financial Officer

**KAPIL YADAV**  
Company Secretary

Place: Mumbai  
Date: April 25, 2025

Place: Mumbai  
Date: April 25, 2025

## Standalone Statement of profit and loss for the year ended 31st March, 2025

(Rs in lakhs)

Particulars	Note No.	For the Year ended March 31, 2025	For the year ended March 31, 2024
I Revenue from Operations	33	42,366.67	38,217.12
II Other Income	34	2,439.45	2,039.30
<b>III TOTAL INCOME (I+II)</b>		<b>44,806.12</b>	<b>40,256.42</b>
IV Expenses			
(a) Cost of materials consumed	35	20,092.22	18,558.11
(b) Changes in inventories of finished goods and work-in-progress	36	(991.98)	1,450.42
(c) Employee benefits expense	37	1,988.77	1,814.34
(d) Finance costs	38	1,064.42	581.00
(e) Depreciation and amortization expense	39	2,431.86	2,329.55
(f) Other expenses	40	13,149.50	10,574.25
<b>TOTAL EXPENSES (a to f)</b>		<b>37,734.78</b>	<b>35,307.66</b>
V Profit/(loss) before exceptional item & tax (III-IV)		7,071.34	4,948.76
VI Exceptional item	53 & 54	(440.00)	-
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>6,631.34</b>	<b>4,948.76</b>
<b>VIII Tax Expense:</b>			
Current tax		2,088.16	1,135.81
Deferred tax		(458.00)	79.78
Adjustments for earlier years		16.86	17.92
Total tax expense	26	1,647.02	1,233.51
<b>IX Profit/(loss) for the year (VII-VIII)</b>		<b>4,984.31</b>	<b>3,715.25</b>
<b>X Other Comprehensive Income ('OCI')</b>			
<b>A</b> (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		(1.94)	43.60
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		0.49	(10.97)
<b>Total (A)</b>		<b>(1.45)</b>	<b>32.63</b>
<b>B</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 (B)</b>		<b>-</b>	<b>-</b>
<b>Total Other comprehensive income (A+B)</b>		<b>(1.45)</b>	<b>32.63</b>
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>4,982.86</b>	<b>3,747.88</b>
<b>XII Earnings per equity share</b>	41		
- Basic and Diluted (face value Re. 1) - Before Exceptional Item		6.50	4.45
- Basic and Diluted (face value Re. 1) - After Exceptional Item		5.97	4.45

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For **C N K & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm's Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors

**SURESH AGASKAR**  
Partner  
Membership No. 110321

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**KAYVANNA SHAH**  
Chief Financial Officer

**KAPIL YADAV**  
Company Secretary

Place: Mumbai  
Date: April 25, 2025

Place: Mumbai  
Date: April 25, 2025



## Standalone Statement of cash flows for the year ended 31st March, 2025

(Rs in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A Cash flows from operating activities</b>		
Profit before tax	6,631.34	4,948.76
<b>Adjustments for:</b>		
Finance costs	1,020.74	581.00
Depreciation and amortisation expenses	2,431.86	2,329.55
Interest income	(320.49)	(418.39)
(Gain)/ Loss on disposal of property, plant and equipment	182.91	(3.51)
Gain on disposal of investments	(922.59)	(229.71)
Gain on fair value of investments	(33.46)	(1,251.97)
Dividend Income	(58.01)	(16.43)
Provision for Impairment & Doubtful Advances	945.60	-
Unrealised exchange (gain) / loss on foreign currency translations	251.70	132.69
Sundry Balances written off / (written back)	(9.08)	140.62
<b>Operating profit before working capital changes</b>	<b>10,120.53</b>	<b>6,212.60</b>
<b>Changes in Assets and Liabilities:</b>		
<b>Adjustments for (increase)/decrease in:</b>		
Trade receivables	(244.33)	(3,098.69)
Inventories	(1,482.18)	1,379.36
Loans and Advances	19.05	(51.47)
Other assets	(383.31)	(969.13)
<b>Adjustments for increase/(decrease) in:</b>		
Trade payables	(662.35)	695.39
Other current financial liabilities	833.57	118.02
<b>Cash generated from operations</b>	<b>8,200.97</b>	<b>4,286.09</b>
Direct taxes paid (net)	(1,762.41)	(1,106.60)
<b>Net cash generated from operating activities (A)</b>	<b>6,438.56</b>	<b>3,179.48</b>
<b>B Cash flows from investing activities</b>		
Bank balances other than Cash & Cash equivalents	878.21	333.24
Purchase of property, plant and equipment	(2,013.57)	(909.31)
Purchase of Intangible Assets	(2.89)	(15.58)
Proceeds from disposals of property, plant and equipment	4.70	9.36
(Purchase) / Proceeds of investments	(8,200.17)	(5,409.81)
Advance for Pending Allotment	(15.00)	-
Interest received	320.49	418.39
Dividend received	58.01	16.43
<b>Net cash (used in) investing activities (B)</b>	<b>(8,970.22)</b>	<b>(5,557.28)</b>
<b>C Cash flows from financing activities</b>		
Proceeds from non current borrowings	-	2,300.00
Repayment of non current borrowings	(10.56)	(1,534.36)
Proceeds/(repayment) from current borrowings	3,709.59	2,134.73
Payments for the principal portion of lease liability	(133.18)	(72.66)
Payments for the interest portion of lease liability	(53.20)	(15.66)
Interest paid	(1,029.92)	(575.58)
<b>Net cash (generated in) financing activities (C)</b>	<b>2,482.73</b>	<b>2,236.48</b>

## Standalone Statement of cash flows for the year ended 31st March, 2025 (Contd.)

(Rs in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>D NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]</b>	<b>(48.93)</b>	<b>(141.31)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		
Balances with banks in current accounts and deposit accounts	212.88	351.05
Effect of exchange rate changes on cash and cash equivalents	0.64	3.39
Cash on hand	6.10	6.51
<b>CASH AND CASH EQUIVALENTS</b>	<b>219.63</b>	<b>360.95</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		
Balances with banks in current accounts and deposit accounts	164.38	212.88
Effect of exchange rate changes on cash and cash equivalents	0.33	0.64
Cash on hand	5.98	6.10
<b>CASH AND CASH EQUIVALENTS</b>	<b>170.69</b>	<b>219.63</b>
Supplemental Information		
Cash Transactions from Operating Activities:		
Spent towards Corporate Social Responsibility	53.15	5.00

## Explanatory notes to Statement of Cash Flows:

- The Statement of Cash Flows is prepared as per Ind AS 7 as notified by Ministry of Corporate Affairs.
- In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
- The net profit / loss arising due to conversion of current assets / current liabilities, receivable / payable in foreign currency is furnished under the head "Foreign Exchange Fluctuations".
- Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes:

## Reconciliation of liabilities arising from financing activities

Particulars	As at 1st April 2024	Cash flow	Foreign Exchange movement	As at 31st March 2025
Non - current borrowing (including current maturities of non current borrowing)	2,310.56	(10.56)	-	2,300.00
Current borrowing	11,036.63	3,709.59	(43.67)	14,702.55
	<b>13,347.19</b>	<b>3,699.03</b>	<b>(43.67)</b>	<b>17,002.55</b>

Particulars	As at 1st April 2023	Cash flow	Foreign Exchange movement	As at 31st March 2024
Non - current borrowing (including current maturities of non current borrowing)	1,537.89	765.64	7.02	2,310.56
Current borrowing	8,901.89	2,134.73	-	11,036.63
	<b>10,439.78</b>	<b>2,900.37</b>	<b>7.02</b>	<b>13,347.19</b>

As per our attached report of even date

For **C N K & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm's Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors

**SURESH AGASKAR**  
Partner  
Membership No. 110321

**KRISHNA M. JHUNJHUNWALA**  
Managing Director  
(DIN: 00097175)

**KANAV JHUNJHUNWALA**  
Whole time Director  
(DIN: 09507192)

**KAYVANNA SHAH**  
Chief Financial Officer

**KAPIL YADAV**  
Company Secretary

Place: Mumbai  
Date: April 25, 2025

Place: Mumbai  
Date: April 25, 2025

**Standalone Statement of changes in equity for the year ended 31st March, 2025**
**a. Equity Share Capital (note 21)**

(Rs in lakhs)	
Particulars	Amount
Balance as at April 01, 2023	835.03
Changes in equity share capital during the year 2023-24	-
Balance as at March 31, 2024	835.03
Changes in equity share capital during the year 2024-25	-
Balance as at March 31, 2025	835.03

**b. Other Equity (note 22)**

(Rs in lakhs)					
Particulars	Reserves and surplus				Total
	Capital reserve	Securities premium	General reserve	Retained earnings	
Balance as at April 01, 2023	182.40	4,529.00	8,274.38	29,276.46	42,262.24
Profit for the year 2023-24	-	-	-	3,715.25	3,715.25
Other comprehensive income for the year 2023-24 (net of tax)*	-	-	-	32.63	32.63
<b>Total comprehensive income for the year</b>	-	-	-	<b>3,747.88</b>	<b>3,747.89</b>
Balance as at March 31, 2024	182.40	4,529.00	8,274.38	33,024.34	46,010.13
Profit for the year 2024-25	-	-	-	4,984.31	4,984.31
Other comprehensive income for the year 2024-25 (net of tax)*	-	-	-	(1.45)	(1.45)
<b>Total comprehensive income for the year</b>	-	-	-	<b>4,982.86</b>	<b>4,982.86</b>
Balance as at March 31, 2025	182.40	4,529.00	8,274.38	38,007.20	50,992.99

\* represents remeasurement of defined benefit plans

As per our attached report of even date

For **C N K & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm's Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors

**SURESH AGASKAR**  
Partner  
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**KAYVANNA SHAH**  
Chief Financial Officer

**KAPIL YADAV**  
Company Secretary

Place: Mumbai  
Date: April 25, 2025

Place: Mumbai  
Date: April 25, 2025

**Notes to Standalone Financial Statements for the year ended 31st March, 2025**
**1. CORPORATE INFORMATION:**

Sarla Performance Fibers Limited ('SPFL' or 'the Company') is a public limited Company incorporated and domiciled in India and has its registered office at Survey No. 59/1/4, Amli Piparia Industrial Estate, Silvassa - 396 230, U.T. of Dadra & Nagar Haveli, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India.

The Company is engaged primarily in manufacturing of various types of polyester and nylon yarns. The Company caters to both domestic and international markets. The Company has four plants, 2 at Silvassa, 1 at Dadra, Union territory of Dadra and Nagar haveli and 1 at Vapi, Gujarat.

The Company has a global presence with key subsidiaries in United States of America (USA) and British Virgin Island (BVI) that are engaged in the manufacture and/or sale of various types of polyester and nylon yarns.

**2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION:**
**2.1. Basis of preparation and presentation:**

The standalone financial statements comply with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act and Rules thereunder.

The standalone financial statements have been prepared under historical cost convention using the accrual method of accounting basis except for certain assets and liabilities measured at fair value. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, para 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Act.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The standalone financial statements are presented in Indian Rupee (INR), the functional currency of the Company.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs, unless otherwise stated.

The financial statements of the Company for the year ended 31st March, 2025 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 25th April, 2025.

**2.2. Use of Judgements and Estimates:**

The preparation of the standalone financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities and accompanying disclosures.

Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgements in applying accounting policies that have most significant effect on amounts recognised in the standalone financial statements are as below:

- Estimates of useful lives and residual value of property, plant and equipment and intangible assets;
- Measurement of defined benefit obligations;
- Measurement and likelihood of occurrence of provisions and contingencies;



- Measurement of Right of Use assets and Lease liabilities;
- Measurement of recoverable amounts of cash-generating units;
- Valuation of inventories;
- Provision for loss allowances;
- Fair value measurement of financial instruments;
- Recognition of deferred tax assets.

Revisions to accounting estimates are recognised prospectively.

### 2.3. Property, plant and equipment and Depreciation:

**2.3.1.** Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any;

**2.3.2.** The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use);

**2.3.3.** Directly attributable costs includes cost of testing (net off proceeds from selling any items produced). Excess of net sale proceeds of items produced over the cost of testing, if any, is deducted directly from attributable costs of an item of property, plant, and equipment.

**2.3.4.** Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company;

**2.3.5.** Spare parts which meet the definition of property, plant and equipment are capitalised as property, plant and equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventorised on procurement and charged to Statement of profit and loss on consumption;

**2.3.6.** An item of property, plant and equipment and any significant part initially recognised separately as part of property, plant and equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised;

**2.3.7.** The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates;

**2.3.8.** Property, plant and equipment which are not ready for intended use as on date of Balance Sheet are disclosed as "Capital work-in-progress";

**2.3.9.** Depreciation is provided on pro-rata basis on the straight-line method (after retaining the estimated residual value up to 5%) based on estimated useful life prescribed under Schedule II to the Act, except for assets costing Rs.5,000/- or less are fully depreciated or fully written off in the year of purchase;

**2.3.10.** Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment;

**2.3.11.** Depreciation on spare parts specific to an item of property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment;

**2.3.12.** The Company had chosen the carrying value of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April, 2016 as deemed cost.

### 2.4. Intangible Assets and Amortisation:

**2.4.1.** Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably;

**2.4.2.** Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any;

**2.4.3.** An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on de-recognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses);

**2.4.4.** The estimated useful life is reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates;

**2.4.5.** Intangible assets which are not ready for intended use as on date of Balance Sheet are disclosed as "Intangible assets under development";

**2.4.6.** The intangible assets with a finite useful life are amortised using straight line method over their estimated useful lives. The management's estimates of the useful lives for various class of Intangibles are as given below:

Asset	Useful life
Softwares	5 years

### 2.5. Leases:

The Company assesses whether a contract is or contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

- the contract involves the use of an identified asset;
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

#### 2.5.1. As a lessee

The right-of-use asset is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these, the Company recognises the lease payments as an operating expense.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

#### 2.5.2. As a lessor

A lessor shall classify each of its leases as either an operating lease or a finance lease.

##### Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Company shall recognise assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

### Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Company shall recognise lease payments from operating leases as income on straight line basis over the term of relevant lessee.

### 2.6. Investment in Subsidiaries:

Investments in Subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the standalone statement of profit and loss.

### 2.7. Impairment of Non-financial Assets:

**2.7.1.** Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets;

**2.7.2.** When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

### 2.8. Inventories:

**2.8.1.** Inventories are valued at lower of cost and net realisable value. The cost of raw material is arrived on First-in-first-out basis;

**2.8.2.** Cost of raw materials and stores and spares includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. The aforesaid items are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss;

**2.8.3.** Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

### 2.9. Provisions and Contingent Liabilities:

**2.9.1.** Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation;

**2.9.2.** The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any;

**2.9.3.** If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost;

**2.9.4.** Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability;

**2.9.5.** Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

### 2.10. Revenue Recognition:

#### 2.10.1. Sale of goods:

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the

customer which is usually on dispatch / delivery of goods, based on contracts with the customers. Export sales are recognized on the issuance of Bill of Lading / Airway bill by the carrier. Revenue from sale of power from wind operated generators is accounted when the same is transmitted to and confirmed by the Electricity Board to whom the same is sold.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Revenue excludes taxes collected from customers on behalf of the government.

#### Contract Balances:

##### Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

### 2.10.2. Rendering of Services

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer;

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered;

Revenue excludes taxes collected from customers on behalf of the government.

**2.10.3.** Export incentives under various schemes notified by the Government have been recognised on the basis of applicable regulations, and when reasonable assurance to receive such revenue is established;

**2.10.4.** Interest income is recognized using the effective interest rate (EIR) method;

**2.10.5.** Dividend income on investments is recognised when the right to receive dividend is established;

**2.10.6.** Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### 2.11. Segment reporting:

The Company identifies operating segments based on the dominant source, nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Managing Director (who is the Company's chief operating decision maker) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in conformity with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company are not allocable to segments on a reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.



**2.12. Employee Benefits:****2.12.1. Short-term employee benefits:**

Short-term employee benefits (including leave) are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered;

**2.12.2. Post-employment benefits:**

The Company operates the following post – employment schemes:

- Defined contribution plans such as provident fund; and
- Defined benefit plans such as gratuity

**Defined Contribution Plans:**

Obligations for contributions to defined contribution plans such as provident fund are recognised as an expense in the Statement of Profit and Loss as the related service is rendered by the employee. The said benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

**Defined Benefit Plans:**

The Company's net obligation in respect of defined benefit plans such as gratuity is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

**2.13. Borrowing costs:**

**2.13.1.** Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs;

**2.13.2.** Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss;

**2.13.3.** Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

**2.14. Foreign Currency Transactions:****2.14.1. Monetary items:**

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

**2.14.2. Non – Monetary items:**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**2.15. Fair Value measurement:**

**2.15.1.** The Company measures certain financial instruments at fair value at each reporting date;

**2.15.2.** Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities;

**2.15.3.** Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability also reflects its non-performance risk;

**2.15.4.** The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out;

**2.15.5.** While measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs);

**2.15.6.** When quoted price in active market for an instrument is available, the Company measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis;

**2.15.7.** If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction;

**2.15.8.** The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

**2.16. Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**2.16.1. Financial Assets:****I. Initial recognition and measurement:**

The Company recognizes financial assets when it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables that do not contain a significant financing component that are initially measured at the

transaction price determined under Ind AS 115.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Financial assets are classified at the initial recognition as financial assets measured at fair value or as financial assets measured at amortised cost.

## II. Subsequent measurement:

Financial assets are subsequently classified as measured at

- a) amortised cost;
- b) fair value through profit and loss (FVTPL);
- c) fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

### a) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

### b) Measured at FVOCI:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at FVOCI. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

For equity instruments, the Company may make an irrevocable election (on initial recognition) to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

### c) Measured at FVTPL:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

## III. De-recognition:

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset and the transfer qualifies for derecognition under Ind AS 109.

## IV. Impairment of Financial assets:

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets measured at amortised costs and debt instruments measured at FVOCI.

Loss allowance on receivables from customers are measured following the 'simplified approach' at an amount equal to lifetime ECL at each reporting date. In respect of other financial assets, the loss allowance is measured at 12 months ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

## 2.16.2. Financial Liabilities:

### I. Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### II. Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at FVTPL are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

### III. De-recognition:

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## 2.16.3. Financial guarantees:

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation.

## 2.16.4. Derivative financial instruments:

The Company uses derivative financial instruments to manage the exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with the changes being recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## 2.16.5. Embedded derivatives:

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the classification requirements contained in Ind AS 109 are applied to the entire hybrid contract.

Derivatives embedded in all other host contracts, including financial liabilities are accounted for as separate derivatives and recorded at fair value, if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at FVTPL.

These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments.

Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows.



**2.16.6. Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**2.16.7. Derivate Financial Instruments and Hedge Accounting**

Derivative instruments such as forward currency contracts are used to hedge foreign currency risks, and are initially recognized at their fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. A hedge of foreign currency risk of a firm commitment is accounted for as a fair value hedge. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

Derivatives are only used for economic hedging purposes and not as speculative investments.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**Derecognition**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition as per Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**2.17. Taxes on Income****2.17.1. Current Tax**

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity;

**2.17.2. Deferred tax**

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**2.18. Earnings per share**

**2.18.1.** Basic earnings per share is calculated by dividing the profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period;

**2.18.2.** For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

**2.19. Cash and Cash equivalents:**

**2.19.1.** Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value;

**2.19.2.** For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand net off of outstanding bank overdrafts as they are considered an integral part of the Company's cash management. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**2.20. Cash Flows:**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**2.21. Dividend:**

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**3. Recent Pronouncements:**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS - 117 Insurance Contracts and amendments to Ind AS 116 - Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Notes to Standalone Financial Statements for the year ended 31st March, 2025

4 a) Property, Plant & Equipment

(Rs in lakhs)										
Gross carrying amount	Freehold Land	Leasehold Land (Right of use asset)	Buildings	Buildings (Right of use asset)	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total
Balance as at April 01, 2023	3,418.45	8.70	3,034.52	488.04	27,187.61	78.76	280.17	47.85	146.43	34,690.63
Additions	-	-	78.75	1.33	789.44	18.30	-	4.05	3.41	895.29
Deletions	-	-	-	(24.81)	(27.67)	-	-	-	-	(52.48)
Balance as at March 31, 2024	3,418.45	8.70	3,113.28	464.56	27,949.38	97.06	280.17	51.89	149.84	35,533.43
Additions	-	-	6.01	786.02	1,640.01	22.08	13.02	6.41	13.21	2,486.77
Deletions	-	-	-	-	(350.28)	-	(6.05)	-	-	(356.34)
Balance as at March 31, 2025	3,418.45	8.70	3,119.29	1,250.59	29,239.11	119.14	287.14	58.30	163.06	37,663.86

Accumulated Depreciation	Freehold Land	Leasehold Land (Right of use asset)	Buildings	Buildings (Right of use asset)	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total
Balance as at April 01, 2023	-	2.74	619.60	179.82	9,848.13	44.50	150.11	42.97	131.41	11,019.31
Additions	-	0.43	152.04	81.68	2,026.24	7.22	26.36	2.54	2.72	2,299.24
Deletions	-	-	-	-	(21.82)	-	-	-	-	(21.82)
Balance as at March 31, 2024	-	3.18	771.64	261.50	11,852.55	51.72	176.47	45.51	134.13	13,296.73
Additions	-	0.43	153.56	167.52	2,042.77	7.77	21.11	0.34	5.88	2,399.39
Deletions	-	-	-	-	(164.38)	-	(4.34)	-	-	(168.73)
Balance as at March 31, 2025	-	3.61	925.20	429.01	13,730.94	59.49	193.23	45.85	140.01	15,527.39
Net carrying amount as at March 31, 2025	3,418.45	5.36	2,194.55	821.57	15,508.17	59.65	93.91	12.24	23.04	22,136.48
Net carrying amount as at March 31, 2024	3,418.45	5.80	2,342.10	203.07	16,096.83	45.34	103.70	6.18	15.71	22,236.71

Notes:

(i) Charge has been created over property, plant and equipments of the Company in respect of borrowings (refer note 23, 27 & 55(6))

4 b) Title Deeds of all immovable properties not held in the name of Company (other than properties where the Company is the lessee and the lease agreement are duly executed in favour of the Company).

(Rs in lakhs)						
Relevant line item in the Balance Sheet	Description of item of property	Gross carrying amount	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Freehold Land	3,028.83	Krishna Jhunhunwala and Neha Jhunhunwala	Yes	F.Y. 2016-17	Being agricultural land cannot be held in the name of the Company.
Property, Plant and Equipment	Freehold Land	69.33	Krishna Jhunhunwala and Neha Jhunhunwala	Yes	F.Y. 2022-23	The Company is in process of conversion of agricultural land to non-agricultural land.
Property, Plant and Equipment	Freehold Land	43.46	Krishna Jhunhunwala	Yes	F.Y. 2022-23	

5 Other Intangible assets

(Rs in lakhs)		
Gross carrying amount (at cost)	Softwares	Total
Balance as at April 01, 2023	170.63	170.63
Additions	7.09	7.09
Deletions	-	-
Balance as at March 31, 2024	177.72	177.72
Additions	11.38	11.38
Deletions	-	-
Balance as at March 31, 2025	189.09	189.09
Accumulated Amortisation		
Balance as at April 01, 2023	95.70	95.70
Additions	30.31	30.31
Deletions	-	-
Balance as at March 31, 2024	126.01	126.01
Additions	32.47	32.47
Deletions	-	-
Balance as at March 31, 2025	158.48	158.48
Net carrying amount as at March 31, 2025	30.62	30.62
Net carrying amount as at March 31, 2024	51.71	51.71



**6 Intangible Assets under Development**

(Rs in lakhs)

Particulars	As at 31.03.2025	As at 31.03.2024
Intangible Assets under Development	-	8.49
<b>Total</b>	<b>-</b>	<b>8.49</b>

**(a) Intangible Assets under Development ageing schedule as on March 31, 2025**

(Rs in lakhs)

Intangible Assets under Development	Amount in Intangible Assets under development for a period of				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	-	-	-	-	-

**(b) Intangible Assets under Development ageing schedule as on March 31, 2024**

(Rs in lakhs)

Intangible Assets under Development	Amount in Intangible Assets under development for a period of				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	8.49	-	-	-	8.49

**Note:**

Intangible assets under development completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan: None (March 31, 2024: None)

**7 Investments in Subsidiaries**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Investments in Equity shares at cost (fully paid)</b>		
<b>Unquoted</b>		
4,35,000 (March 31, 2024: 4,35,000) Shares of USD 1 each of Sarla Overseas Holdings Limited	183.22	183.22
9,89,000 (March 31, 2024: 9,89,000) Shares of USD 1 each of Sarlalex Inc. USA	596.50	596.50
Less: Provision for Impairment	(596.50)	(596.50)
<b>Investments in Preference shares at cost (fully paid)</b>		
<b>Unquoted</b>		
11 (March 31, 2024: 11) 1% redeemable Preference shares of USD 1,000,000 each of Sarlalex Inc. USA (Refer below note)	7,824.85	7,824.85
Less: Provision for Impairment (Refer Note no. 53 & 54)	(2,280.10)	(1,840.10)
<b>Total</b>	<b>5,727.98</b>	<b>6,167.98</b>
Aggregate amount of quoted investments - at cost	-	-
Aggregate amount of quoted investments - at market value	-	-
Aggregate amount of unquoted investments	8,604.57	8,604.57
Aggregate amount of impairment in the value of investments	2,876.60	2,436.60

**Note:**

During the financial year 2019-20 based on request by subsidiary loan amount has been converted into 1% non cumulative redeemable preference Shares which are redeemable after 3 years at the option of issuer. The same has been extended for 3 years during financial year 2022-23.

**8 Non current financial assets - Other Investments**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Quoted</b>		
Investments in debentures at amortised cost	-	3,044.32
Investments in debentures at FVTPL	537.83	632.76
Investments in Treasury Bills and Government Securities at amortised cost	155.15	154.46
<b>Unquoted</b>		
Investments in units of alternative investment fund at FVTPL	1,269.72	74.68
Investments in units of mutual fund at FVTPL	20,662.75	11,027.64
Investments in equity shares at FVTPL	999.99	-
<b>Total</b>	<b>23,625.44</b>	<b>14,933.85</b>
Aggregate amount of quoted investments - at cost	655.15	3,700.66
Aggregate amount of quoted investments - at market value	692.98	3,831.54
Aggregate amount of unquoted investments - at cost	21,337.15	10,157.30
Aggregate amount of unquoted investments - at Net Asset value/ Fair Value	22,932.46	11,102.31
Aggregate amount of impairment in the value of investments	-	-

**Note:**

- Units of mutual funds of Rs. 1,024.51 lakhs (as at 31st March, 2024: 924.19 lakhs) are pledged as margin money deposit with brokers.
- Units of mutual funds of Rs. 1,948.38 lakhs (as at 31st March, 2024: Nil) are pledged against rupee term loan. (Refer note no 23 (ii) (B))

**9 Non-current financial assets - Loans**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost</b>		
Other loans and advance (refer note (i))	219.51	213.74
Less: Provision for Doubtful loans and advances (Refer note 58)	(219.51)	-
Loan to Staff	8.35	9.55
<b>Total</b>	<b>8.35</b>	<b>223.29</b>
<b>Sub-classification of Loans</b>		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	8.35	9.55
Loans which have significant increase in credit risk	219.51	213.74
Loans - credit impaired	(219.51)	-
<b>Total</b>	<b>8.35</b>	<b>223.29</b>

**Note:**

- Other loans and advance includes loan amounting to Rs. 219.51 lakhs (as at March 31, 2024: Rs. 213.74 lakhs) given to related party (Refer note 43 and 58)
- The above loan given to subsidiary is without specifying any terms or period of repayment.
- No loans are due from directors or other Officers of the Company either severally or jointly with any other person. Further, no loans are due from firms or private companies respectively in which any director is a partner, a director or a member.
- The Company has not given any loans or advances in nature of loans to key managerial persons (KMP), directors or promoters either severally or jointly with any other person except note (i) above.

**Amount of loans/ advances in the nature of loans outstanding from Subsidiaries**

Particulars	Amount of loan or advance in the nature of loan outstanding (Rs in lakhs)	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding (Rs in lakhs)	Percentage to the total Loans and Advances in the nature of loans
Related Parties	219.51	90.46%	213.74	89.45%
<b>Total</b>	<b>219.51</b>		<b>213.74</b>	

**10 Non-current financial assets - Others**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost</b>		
<b>Unsecured, considered good</b>		
Fixed deposits with remaining maturity of more than 12 months	0.28	103.18
Interest Receivable on fixed deposits	0.06	0.48
Security deposits	138.89	156.68
Less : Provision for Security Deposit	(56.31)	(57.10)
	<b>82.58</b>	<b>99.58</b>
<b>Total</b>	<b>82.93</b>	<b>203.24</b>

**Note:**

Fixed Deposits amounting to Rs. 0.20 lakhs (As at March 31, 2024 Rs. 103.10 lakhs) pledged as margin money deposit for facilities from Banks. (Refer note no. 27)

**11 Non current Tax Assets (Net)**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Taxes paid in advance (Net of Provision for tax)	44.32	44.32
<b>Total</b>	<b>44.32</b>	<b>44.32</b>

**12 Other Non-Current Assets**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Unsecured, considered good</b>		
Capital Advances	120.00	55.00
Less : Provision for Doubtful advances	(55.00)	(55.00)
	<b>65.00</b>	<b>-</b>
Deposits with government authorities (Refer Note no. 45.1 (iii) & (iv))	288.98	229.12
Prepaid Expenses	58.35	65.94
<b>Total</b>	<b>412.33</b>	<b>295.06</b>

**13 Inventories (at lower of cost and net realisable value)**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Raw Materials	2,274.39	1,357.51
Raw Materials - Stock in Transit	70.35	357.37
Work-In -Progress	3,023.93	2,601.31
Finished goods	1,585.62	1,141.69
Finished goods - Stock in Transit	507.45	382.02
Stores and Spares	268.14	302.78
Oil & lubricants	258.16	407.45
Fuel	13.70	8.32
Packing Materials	553.90	515.01
<b>Total</b>	<b>8,555.65</b>	<b>7,073.47</b>

**Note:**

- (i) Inventories of Rs. 8,555.65 lakhs (as at March 31, 2024: Rs. 7,073.47 lakhs) are hypothecated against working capital facilities from banks. (refer note 27)
- (ii) There has been no write down of inventories during the year.

**14 Investments**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Quoted</b>		
Investments in Equity shares at FVTPL	4,848.25	3,356.28
Investments in debentures at FVTPL	-	290.78
Investments in Treasury Bills and Government Securities at amortised cost	86.00	822.56
<b>Total</b>	<b>4,934.25</b>	<b>4,469.62</b>
Aggregate amount of quoted investments - at cost	5,237.98	4,139.49
Aggregate amount of quoted investments - at market value	4,934.25	4,469.62
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

**15 Trade Receivables**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost</b>		
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	9,382.95	9,129.54
(c) Trade Receivables which have significant increase in credit risk	42.83	42.58
(d) Trade Receivables - credit impaired	-	-
Less : Allowance as per Expected credit loss model	(42.83)	(42.58)
<b>Total</b>	<b>9,382.95</b>	<b>9,129.54</b>

**Note:**

- (i) Trade receivable includes Rs. Nil (As at March 31, 2024: Rs.235.22 lakhs), receivable from subsidiary.
- (ii) Trade Receivables of Rs. 9,425.78 lakhs (as at March 31, 2024: Rs. 9,172.12 lakhs) are hypothecated as security for bank borrowings. (Refer note no. 27)
- (iii) No Trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further, no loans are due from firms or private companies respectively in which any director is a partner, a director or a member except note (i).
- (iv) Movement in the expected credit loss allowance

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	42.58	17.46
Provision/(Reversal) during the year	0.25	25.12
Balance at the end of the year	42.83	42.58



## Trade receivables ageing schedule

(Rs in lakhs)

As at March 31, 2025

Particulars	Outstanding for following periods from due date of payment						TOTAL
	Not Due	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	8,826.07	-	499.14	-	-	-	9,325.22
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	56.01	26.07	18.48	100.56
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Impairment allowance for trade receivables - which have significant increase in credit risk	-	-	-	(12.18)	(12.17)	(18.48)	(42.83)
<b>Total Current Trade Receivables</b>	<b>8,826.07</b>	<b>-</b>	<b>499.14</b>	<b>43.83</b>	<b>13.90</b>	<b>-</b>	<b>9,382.95</b>

As at March 31, 2024

(Rs in lakhs)

Particulars	Outstanding for following periods from due date of payment						TOTAL
	Not Due	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	8,618.97	-	139.24	-	-	-	8,758.21
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	37.56	376.35	-	413.91
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Impairment allowance for trade receivables - which have significant increase in credit risk	-	-	-	(18.70)	(23.89)	-	(42.58)
<b>Total Current Trade Receivables</b>	<b>8,618.97</b>	<b>-</b>	<b>139.24</b>	<b>18.87</b>	<b>352.46</b>	<b>-</b>	<b>9,129.54</b>

There are no unbilled receivable as on 31-03-2025 and 31-03-2024

## 16 Cash &amp; cash equivalents

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost</b>		
Balances with Banks	164.71	213.53
Cash on Hand	5.98	6.10
<b>Total</b>	<b>170.70</b>	<b>219.63</b>

## 17 Bank balances other than Cash &amp; Cash equivalents

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Earmarked Balance with Bank:</b>		
Balance in unpaid dividend account	31.33	46.85
At Amortised Cost		
Fixed deposits with original maturity for more than 3 months but less than 12 months	3.96	763.76
<b>Total</b>	<b>35.30</b>	<b>810.61</b>

## Note:

- (i) Fixed Deposits amounting to Rs.0.30 lakhs (As at March 31, 2024 Rs. 751.83 lakhs) pledged as margin money deposit for facilities from Banks. (Refer note no. 27)

## 18 Loans

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost</b>		
<b>Unsecured, considered good</b>		
Others		
Loans to Staff	14.81	15.66
<b>Total</b>	<b>14.81</b>	<b>15.66</b>
<b>Sub-classification of loans</b>		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	14.81	15.66
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>14.81</b>	<b>15.66</b>

- (i) No loans are due from directors or other Officers of the Company either severally or jointly with any other person. Further, no loans are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) The Company has not given any loans or advances in nature of loans to key managerial persons (KMP), directors or promoters either severally or jointly with any other person.
- (iii) The Company has not given any short term loan to related party.

**19 Other financial assets**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost</b>		
Interest Receivable on fixed deposits	0.47	43.53
Other Receivables (Refer note (i))	1,197.90	430.03
<b>At FVTPL</b>		
Derivative financial assets:		
Forward Contracts	25.35	282.82
<b>Total</b>	<b>1,223.72</b>	<b>756.38</b>

**20 Other Current Assets**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Unsecured, considered good</b>		
Advances to Suppliers (For Raw Materials and expenses)	1,081.16	991.90
Less : Provision for doubtful advances (Refer note 58)	(390.09)	(104.00)
	<b>691.07</b>	<b>887.90</b>
Goods & Service Tax recoverable	492.87	981.67
Export incentives receivables	74.37	66.88
Prepaid Expenses	35.69	101.96
<b>Total</b>	<b>1,294.00</b>	<b>2,038.42</b>

Advance to Suppliers (For Raw Materials and expenses) includes Rs. 288.81 lakhs (As at March 31, 2024: Rs. 510.21 lakhs), receivable from subsidiary and Step down subsidiary.

**Equity****21 Equity Share Capital**

(Rs. In Lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Authorised</b>		
10,00,00,000 (As at March 31, 2024: 10,00,00,000) Equity Shares of Re. 1 each	1,000.00	1,000.00
<b>Issued, Subscribed and Paid up</b>		
8,35,03,000 (As at March 31, 2024: 8,35,03,000) Equity Shares of Re. 1 each fully paid up	835.03	835.03
<b>Total</b>	<b>835.03</b>	<b>835.03</b>

**21.1 Reconciliation of number of equity shares :**

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs
Opening Balance	8,35,03,000	835.03	8,35,03,000	835.03
Changes during the year	-	-	-	-
<b>Closing Balance</b>	<b>8,35,03,000</b>	<b>835.03</b>	<b>8,35,03,000</b>	<b>835.03</b>

**21.2 Shares held by shareholders each holding more than 5% of the shares**

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Hindustan Cotton Company - through its partners</b>		
No. of Shares	1,14,87,389	1,14,63,789
Percentage	13.76%	13.73%
<b>Satidham Industries Private Limited</b>		
No. of Shares	2,41,27,297	2,39,59,222
Percentage	28.89%	28.69%

**21.3 Rights, Preferences and restrictions attached to Equity Shares**

The company has only one class of equity shares having par value of Re. 1/- each (P.Y. Re. 1/- each). Holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**21.4** During the 5 years immediately preceding the balance sheet date, there were no equity shares allotted as fully paid up pursuant to contract without payment being received in cash, no bonus shares were issued and there was no buy-back of equity shares of the Company.

**21.5 Shares held by promoters at the end of the year are as follows:**

S. No	Promoter Name	As on 31.03.2025		As on 31.03.2024		% change during the year
		No of shares	% of total shares	No of shares	% of total shares	
1	Neha Krishna Jhunhunwala	4,000	0.00	4,000	0.00	0.00
2	Krishnakumar and sons HUF	3,25,000	0.39	3,25,000	0.39	0.00
3	Vrinda Krishna Jhunhunwala	8,80,252	1.05	8,80,252	1.05	0.00
4	Kanav K Jhunhunwala	6,47,000	0.77	6,47,000	0.77	0.00
5	Krishna Madhusudan Jhunhunwala	32,69,000	3.91	32,69,000	3.91	0.00
6	Madhusudan Jhunhunwala HUF	24,69,596	2.96	24,69,596	2.96	0.00
7	Sarladevi Madhusudan Jhunhunwala	38,94,000	4.66	38,94,000	4.66	0.00
8	Hindustan Cotton Company - Sarladevi Madhusudan Jhunhunwala (Partner)	1,14,87,389	13.76	1,14,63,789	13.73	0.03
9	Sarla Estate Developers Private Limited	1,45,537	0.17	1,45,537	0.17	0.00
10	Harmony Estates Private Limited	2,60,095	0.31	2,10,095	0.25	0.06
11	Satidham Industries Private Limited	2,41,27,297	28.89	2,39,59,222	28.69	0.20
	<b>Total</b>	<b>4,75,09,166</b>	<b>56.90</b>	<b>4,72,67,491</b>	<b>56.58</b>	<b>0.29</b>

**22 Other Equity**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserve	182.40	182.40
Securities premium	4,529.00	4,529.00
General reserve	8,274.38	8,274.38
Retained Earnings	38,007.22	33,024.35
<b>Total</b>	<b>50,993.00</b>	<b>46,010.13</b>



## The movement in other Equity:

## 22.1 Capital reserve

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	182.40	182.40
Movement during the year	-	-
<b>Balance as at end of the year</b>	<b>182.40</b>	<b>182.40</b>

Capital reserve represents forfeiture of application money received for share warrants on lapse of option due to non subscription.

## 22.2 Securities premium reserve

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	4,529.00	4,529.00
Movement during the year	-	-
<b>Balance as at end of the year</b>	<b>4,529.00</b>	<b>4,529.00</b>

Securities premium reserve is generated by premium on issue of shares. The reserve is eligible for utilisation in accordance with the provisions of the Act.

## 22.3 General reserve

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	8,274.38	8,274.38
Movement during the year	-	-
<b>Balance as at end of the year</b>	<b>8,274.38</b>	<b>8,274.38</b>

General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

## 22.4 Retained earnings

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	33,024.35	29,276.46
Profit for the year	4,984.31	3,715.26
Re measurement of Net defined benefit plans (net of tax)	(1.45)	32.63
Dividend (refer note below 22.5)	-	-
<b>Balance as at end of the year</b>	<b>38,007.22</b>	<b>33,024.35</b>

Retained earning represents surplus/accumulated earnings of the company and are available for distribution to shareholders.

## 22.5 Dividend

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Dividend on equity shares paid during the year	-	-
Final dividend for the F.Y. 2023-24 :Rs. Nil (previous year Rs. Nil) per equity share of Re. 1 each)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

## Proposed Dividend:

The Board of Directors at its meeting held on 25th April, 2025 have recommended a payment of final dividend of Rs. 3/- (Previous year Rs. Nil) per equity share of face value of Re. 1 each for the financial year ended 31st March, 2025.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

## 23 Non-current borrowings

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost</b>		
Term loans(Secured)		
From Banks:		
Indusind Bank (Rupee term loan) (refer note (i) & (ii))	1,533.33	2,300.00
<b>Total</b>	<b>1,533.33</b>	<b>2,300.00</b>

## Note:

i) Term loans were applied for the purpose for which the loans were obtained.

ii) Nature of security	Terms of repayment
(A) The following charges were applicable till 17th December, 2024	Term loan of INR 2,300 Lakhs is repayable in 36 equated monthly installment of INR 63.89 lakhs each till March 2028. Repayment starting from April 2025.
(I) (a) First Charge on Immovable Property, plant and equipment situated at Slivassa plant and all that piece and parcel of Industrial non-agricultural land survey no.64/2, 64/3, 64/4 61/1, 61/2, 63/5, 63/7 and 62/5 situated at Village Amli, Silvassa, Union Territory of Dadra and Nagar Haveli for term loan.	
(b) Second Pari-Pasu Charge on Immovable Property, plant and equipment situated at Slivassa plant and all that piece and parcel of Industrial non-agricultural land survey no.64/2, 64/3, 64/4 61/1, 61/2, 63/5, 63/7 and 62/5 situated at Village Amli, Silvassa, Union Territory of Dadra and Nagar Haveli Haveli for working capital limits	
(B) The following charges are applicable with effect from 18th December, 2024	
(a) Exclusive charge on units of Mutual funds (Refer Note no: 8 (II))	

## 24 Non-current lease liabilities

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Lease Liabilities	679.97	115.40
<b>Total</b>	<b>679.97</b>	<b>115.40</b>

Refer note 49 for Disclosure in respect of leases.

**25 Non-current provisions**

Particulars	(Rs in lakhs)	
	As at March 31, 2025	As at March 31, 2024
<b>Provision for employee benefits</b>		
Gratuity - In respect of Employees (Refer note 42)	92.50	75.85
Gratuity - In respect of directors	20.00	20.00
<b>Total</b>	<b>112.50</b>	<b>95.85</b>

**26 Tax Expense And Deferred Tax Liabilities (Net)****(a) Amounts recognized in profit and loss**

Particulars	(Rs in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Current tax expense (A)</b>		
In respect of current year	2,088.16	1,135.81
	<b>2,088.16</b>	<b>1,135.81</b>
<b>Deferred tax expense (B)</b>		
In respect of current year	(458.00)	79.78
	<b>(458.00)</b>	<b>79.78</b>
<b>Adjustment for earlier years (C)</b>	16.86	17.92
<b>Tax expense recognized in the income statement (A+B+C)</b>	<b>1,647.06</b>	<b>1,233.55</b>

**(b) Amounts recognized in other comprehensive income**

Particulars	(Rs in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	0.49	(10.97)
	<b>0.49</b>	<b>(10.97)</b>

**(c) Reconciliation of effective tax rate**

Particulars	(Rs in lakhs)			
	For the year ended 31st March, 2025		For the year ended 31st March, 2024	
	%	Amounts	%	Amounts
<b>Profit before tax</b>		6,631.34		4,948.76
Tax using the Company's domestic tax rate	25.17%	1,668.97	25.17%	1,245.50
<b>Tax effect of:</b>				
Disallowable expenses	0.60%	39.73	1.09%	54.17
Tax exemptions	-0.22%	(14.67)	-0.17%	(8.56)
Tax paid at lower rate	-2.26%	(149.65)	-2.18%	(107.67)
Impairment loss on preference shares of subsidiary	1.67%	110.74		
Others	-0.38%	(24.96)	0.65%	32.18
	<b>24.58%</b>	<b>1,630.16</b>	<b>24.56%</b>	<b>1,215.59</b>
Adjustment for earlier years	0.25%	16.86	0.36%	17.92
<b>Effective income tax rate</b>	<b>24.84%</b>	<b>1,647.02</b>	<b>24.93%</b>	<b>1,233.51</b>

**(d) Movement in deferred tax**

Particulars	(Rs in lakhs)			Recognized directly in equity	Recognized in OCI	Recognized in profit or loss	Net balance April 01, 2024
	As at March 31, 2025 Net	Deferred tax asset	Deferred tax liability				
<b>Deferred tax (Asset)/Liabilities</b>							
Property, plant and equipment	(1,954.90)	-	(1,954.90)	-	-	155.43	(2,110.33)
Fair valuation of Mutual Funds and Equity shares	(175.54)	-	(175.54)	-	-	65.03	(240.57)
Employee benefits	32.20	32.20	-	-	0.49	18.84	12.88
Fair valuation of derivatives	(6.38)	-	(6.38)	-	-	64.81	(71.18)
Fair valuation of Security Deposits	10.77	10.77	-	-	-	7.58	3.19
MSME Disallowance	17.62	17.62	-	-	-	17.62	-
Allowance for expected credit losses	64.97	64.97	-	-	-	1.43	63.54
Allowance for loans & advances given	127.26	127.26	-	-	-	127.26	-
<b>Tax assets (Liabilities)</b>	<b>(1,883.99)</b>	<b>252.82</b>	<b>(2,136.81)</b>	<b>-</b>	<b>0.49</b>	<b>458.00</b>	<b>(2,342.47)</b>

Particulars	(Rs in lakhs)			Recognized directly in equity	Recognized in OCI	Recognized in profit or loss	Net balance April 01, 2023
	As at March 31, 2024 Net	Deferred tax asset	Deferred tax liability				
<b>Deferred tax Asset / (Liabilities)</b>							
Property, plant and equipment	(2,110.33)	-	(2,110.33)	-	-	87.95	(2,198.28)
Fair valuation of Mutual Funds and Equity shares	(240.57)	-	(240.57)	-	-	(232.80)	(7.77)
Employee benefits	12.88	12.88	-	-	-	(3.15)	16.03
Fair valuation of investments (Preference Shares)	-	-	-	-	-	-	-
Fair valuation of derivatives	(71.18)	-	(71.18)	-	-	32.37	(103.55)
Fair valuation of Security Deposits	3.19	3.19	-	-	-	(0.53)	3.72
Allowance for expected credit losses	63.54	63.54	-	-	-	25.42	38.12
<b>Tax assets (Liabilities)</b>	<b>(2,342.47)</b>	<b>79.61</b>	<b>(2,422.08)</b>	<b>-</b>	<b>-</b>	<b>(90.75)</b>	<b>(2,251.72)</b>



**27 Borrowings**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Costs</b>		
<b>From Banks</b>		
<b>Secured</b>		
Packing Credit (refer note no. (b) (i),(ii), (iii) & (iv))	12,333.79	10,109.73
Foreign Bill Discounting (refer note no. (b) (i),(ii) & (iii))	255.60	926.90
Buyer's Credit (refer note no. (b) (i),(ii) & (iii))	2,113.15	-
Current maturities of long term borrowings (refer note no. 23(ii))	766.67	10.56
<b>Total</b>	<b>15,469.21</b>	<b>11,047.19</b>

Note:

- a) Bank returns/stock statements filed by the Company with its bankers are in materially agreement with books of accounts except in respect of quarter ended March 31, 2025 where such quarterly return/statement is yet to be filed.
- b) Term of repayment and securities for current borrowings
- All the working capital facilities are secured against:
- First pari passu charge on entire current assets of the Company, excluding those kept, stored, lying loose at Unit No. 1, both present and future.
  - Second pari passu charge on the entire movable property, plant and equipment, excluding the movable property, plant and equipment situated or kept at unit no. 1, of the Company.(save and except for vehicles)
  - Second pari passu charge on immovable property, plant and equipment of the Company situated at silvassa plant unit II bearing survey no. 64/2, 64/3, 64/4, 61/1, 61/2, 63/5, 63/7, 62/5 and all the piece and parcel of Industrial non-agricultural land bearing Survey No. 62/5, admeasuring 2700 sq.mtrs., situated at village - Amli, Silvassa Union Territory of Dadra & Nagar Haveli.
  - Fixed Deposits amounting to Rs.0.50 lakhs (As at March 31, 2024 Rs. 854.93 lakhs) pledged as margin money deposit for facilities from Banks. (Refer note no. 10 and 17 )

**28 Trade payables**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost</b>		
<b>Trade payables:</b>		
Total outstanding dues of Micro and small enterprises	143.95	492.21
Total outstanding dues of creditors other than Micro and small enterprises	3,076.89	3,390.98
<b>Total</b>	<b>3,220.84</b>	<b>3,883.20</b>

Note:

- a) Micro and Small enterprises under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 have been determined based on the information available with the Company and the required disclosure are given below:

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act		
- Principal	143.95	492.21
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as deductibale expenditure under section 23 of MSMED Act, 2006	-	-
<b>Total</b>	<b>143.95</b>	<b>492.21</b>

**b) Trade payables ageing details**

(Rs in lakhs)

(Rs in lakhs)

As at March 31, 2025						
Particulars	Outstanding for following periods from due date of payment					TOTAL
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	143.95	-	-	-	-	143.95
(ii) Others	2,735.85	149.42	46.42	76.89	-	3,008.57
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	68.09	-	-	68.09
<b>Total Trade payables</b>	<b>2,879.80</b>	<b>149.42</b>	<b>114.51</b>	<b>76.89</b>	<b>-</b>	<b>3,220.61</b>

(Rs in lakhs)

As at March 31, 2024						
Particulars	Outstanding for following periods from due date of payment					TOTAL
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	492.21	-	-	-	-	492.21
(ii) Others	3,093.07	224.87	15.79	57.25	-	3,390.98
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues Others	-	-	-	-	-	-
<b>Total Trade payables</b>	<b>3,585.28</b>	<b>224.87</b>	<b>15.79</b>	<b>57.25</b>	<b>-</b>	<b>3,883.20</b>

**29 Other financial liabilities**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Costs</b>		
Liabilities for Capital goods	353.15	16.34
Interest Accrued	10.30	19.89
Unpaid dividend (refer note (i) & (ii))	31.33	46.85
Salaries , wages & other payable	738.03	638.88
Book overdraft with banks	773.08	723.78
<b>At FVTPL</b>		
Future and Options Trading	83.47	29.13
<b>Total</b>	<b>1,989.37</b>	<b>1,474.86</b>

**Note:**

- (i) There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of Act, as at the year end.
- (ii) Amount of Rs. 14.52 lakhs (P.Y. 2023-24: 13.31 lakhs) is transferred to Investor Education and Protection Fund during the year.

**30 Other current liabilities**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Revenue received in advance</b>		
Advance from customers	218.47	273.64
Others		
Statutory dues	51.64	61.79
<b>Total</b>	<b>270.11</b>	<b>335.43</b>

**31 Provisions**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Provision for employee benefits</b>		
Gratuity (Refer note 42)	24.18	21.19
Leave Encashment	27.08	31.21
Bonus	25.00	20.00
<b>Total</b>	<b>76.26</b>	<b>72.40</b>

**32 Current Tax Liabilities**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Tax (Net of taxes paid in advance)	467.86	90.75
<b>Total</b>	<b>467.86</b>	<b>90.75</b>

**33 Revenue From Operations**

(Rs. In Lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>(a) Sale of Products/ Services:</b>		
- Local Sales	18,129.88	15,792.07
- Export Sales	22,793.54	21,071.50
- Sale of Wind Power	525.90	569.07
<b>Sale of Products/ Services</b>	<b>41,449.32</b>	<b>37,432.63</b>
<b>(b) Other Operating Revenues:</b>		
- Export incentives	810.70	746.15
- Sale of Scrap	106.64	38.34
<b>Other Operating Revenues</b>	<b>917.34</b>	<b>784.49</b>
<b>Revenue from operations</b>	<b>42,366.67</b>	<b>38,217.12</b>

**Disclosures as per Ind AS 115**

(Rs. In Lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>1a) Details of revenue from contracts with customers recognised by the Company, net of indirect taxes in its statement of Profit and loss.</b>		
<b>Revenue from contracts with customers</b>		
(Transferred at point in time)		
Sale of speciality yarns	40,923.42	36,863.56
Sale of wind power	525.90	569.07
	<b>41,449.32</b>	<b>37,432.63</b>
Sale of Scrap	106.64	38.34
<b>Total revenue from contracts with customers</b>	<b>41,555.97</b>	<b>37,470.97</b>
<b>b) Reconciliation of the revenue from contracts with customers with revenue from operations</b>		
Total revenue from contracts with customers	41,555.97	37,470.97
Export Incentives	810.70	746.15
<b>Total Revenue from operations (Refer note 33)</b>	<b>42,366.67</b>	<b>38,217.12</b>



**2 Disaggregate Revenue**

The table below presents disaggregated revenues of the Company from contracts with customers by geography/ offerings/ contract-type/market . The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Total revenue from contracts with customers</b>		
<b>Speciality Yarn</b>		
India	18,236.53	15,830.41
Export	22,793.54	21,071.50
<b>Wind Power</b>		
India	525.90	569.07
<b>Total</b>	<b>41,555.97</b>	<b>37,470.97</b>
<b>3 Reconciliation between revenue with customers and contracted price:</b>		
Revenue as per contracted price	41,827.91	37,850.18
<b>Less: Adjustments</b>		
Sales return	(248.85)	(246.59)
Discounts/ Rebates	(23.08)	(132.62)
<b>Revenue from contracts with Customers</b>	<b>41,555.97</b>	<b>37,470.97</b>
<b>4 Sales by performance obligations</b>		
Upon Shipment	41,030.07	36,901.90
Upon Delivery	-	-
Upon Transmission into grid	525.90	569.07
<b>Total</b>	<b>41,555.97</b>	<b>37,470.97</b>

**5 Contract balances**

The following table provides information about receivables from contracts with customers:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>(a) Trade receivables</b>	9,425.78	9,172.12
Allowance as per Expected credit loss model	(42.83)	(42.58)
<b>Total</b>	<b>9,382.95</b>	<b>9,129.54</b>
Trade receivables are non-interest bearing and are generally on terms of up to 180 days.		
<b>(b) Contract liability</b>		
Advances from Customers	218.47	273.64

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2025.

**34 Other Income**

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>a) Interest income:</b>		
Instruments measured at amortised costs		
- on fixed deposits with bank	12.22	77.74
- on debenture and bonds	140.19	269.93
- on treasury bills	30.28	56.00
- on alternative investment fund	51.01	0.15
- other	86.78	14.57
<b>b) Dividend Income:</b>		
- Dividend Income from investments valued at FVTPL	58.01	16.43
<b>c) Other non-operating Income:</b>		
- Gain on disposal of property, plant and equipment	-	3.51
- Gain on sale of investments valued at FVTPL	922.59	229.71
- Gain on Future and option trading	859.81	85.52
- Fair valuation gain on Investments	33.46	1,251.97
- Gain on Currency Derivative	142.22	-
- Gain or loss on foreign currency transaction and translation (net)	63.27	19.26
- Miscellaneous Income	39.61	14.51
<b>Total</b>	<b>2,439.45</b>	<b>2,039.30</b>

**35 Cost of material consumed**

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year	1,357.51	1,855.17
Purchases	21,009.11	18,060.45
Inventories at the end of the year	(2,274.39)	(1,357.51)
<b>Total</b>	<b>20,092.22</b>	<b>18,558.11</b>

**36 Changes in inventories of finished goods and work in progress**

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Closing inventories</b>		
Work-in-progress	3,023.93	2,601.31
Finished goods	2,093.07	1,523.71
<b>Subtotal (A)</b>	<b>5,117.00</b>	<b>4,125.02</b>
<b>Opening inventories</b>		
Work-in-progress	2,601.31	3,546.35
Finished goods	1,523.71	2,029.09
<b>Subtotal (B)</b>	<b>4,125.02</b>	<b>5,575.45</b>
<b>Net (Increase)/decrease in Inventories [(B)-(A)]</b>	<b>(991.98)</b>	<b>1,450.42</b>

**37 Employee benefits expense**

(Rs. In Lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages, bonus etc.	1,775.48	1,643.84
Contribution to provident and other funds	174.66	152.89
Staff welfare expenses	38.63	17.60
<b>Total</b>	<b>1,988.77</b>	<b>1,814.34</b>

**38 Finance costs**

(Rs. In Lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>At Amortised Cost</b>		
<b>a) Interest expenses</b>		
Interest on borrowings	809.36	559.92
Exchanges differences regarded as an adjustment to borrowing costs	43.67	-
Interest expense on lease liability	53.20	15.66
<b>b) Other interest cost at amortised cost</b>		
Interest on GST (Refer Note 57)	123.69	-
Interest on Income tax and TDS	34.50	5.42
<b>Total</b>	<b>1,064.42</b>	<b>581.00</b>

**39 Depreciation and amortisation expenses**

(Rs. In Lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment	2,231.87	2,217.56
Depreciation charged for right of use assets - building	167.52	81.68
Amortisation of intangible assets	32.47	30.31
<b>Total</b>	<b>2,431.86</b>	<b>2,329.55</b>

**40 Other expenses**

(Rs. In Lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of stores and spare parts	460.76	380.76
Power and fuel	2,346.26	2,230.21
Consumption of packing materials	1,505.88	1,395.44
Consumption of oils and chemicals	331.81	364.32
Labour charges	3,182.86	2,633.15
Repairs and Maintenance:		
- Building	30.99	61.55
- Machinery	192.77	394.26
- Others	215.98	158.34
Water, waste and effluent treatment charges	100.31	104.47
Rent	109.91	58.89
Insurance	79.35	76.09
Director sitting fees	8.70	5.20
Legal, professional and consultancy charges	442.29	356.84
Corporate Social Responsibility Expenses (Refer note 50)	91.92	100.62
GST Expenses (Refer Note 57)	205.15	-
Loss on sale of Property, Plant and Equipment	182.91	-
Miscellaneous expenses	414.14	375.30
Postage and Courier	37.55	54.37
Security Charges	156.42	141.11
Bank Charges	83.43	73.83
Travelling Expenses	106.54	77.32
Provision for Doubtful Loans and Advances (Refer note 58)	505.60	-
Payments to auditor:		
- Audit fees	9.75	9.00
- for other services (Limited Review and certifications)	11.85	10.15
- Out of pocket expenses	0.25	0.30
Freight and forwarding charges	1,347.56	857.80
Commission on sales	988.31	546.22
Provision for doubtful receivables/advances	0.24	108.72
<b>Total</b>	<b>13,149.50</b>	<b>10,574.25</b>

**41 Earnings per share (EPS)**

(Rs. In Lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit for the year before exceptional item	5,424.31	3,715.25
Profit for the year after exceptional item	4,984.31	3,715.26
Weighted average number of Equity shares for basic earning per share	8,35,03,000	8,35,03,000
Nominal value of each share (in Rs.)	1	1
Basic and Diluted earning per share before exceptional item (in Rs.)	6.50	4.45
Basic and Diluted earning per share after exceptional item (in Rs.)	5.97	4.45



**42 Employee benefits****A Defined Contribution plans:**

The company contributes to the Government managed provident and pension fund for all qualifying employees.

Contribution to provident fund of Rs. 140.20 lakhs (March 31, 2024: Rs. 108.07 lakhs) is recognised as an expense and included in "Contribution to provident and other funds" in Statement of Profit and Loss.

**B Defined benefit plans:**

The Company has defined benefit plan for payment of gratuity to all qualifying employees. It is governed by the Payment of Gratuity Act, 1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefits provided which depends on the employee's length of service and salary at retirement age. The Company's defined benefit plan is funded with Life Insurance Corporation (LIC).

There are no other post retirement benefits provided by the Company.

The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

**Reconciliation in present value of obligations (PVO)**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
PVO at the beginning of the year	154.95	218.65
Interest cost	11.14	15.98
Current service cost	21.46	23.05
Benefits paid	(10.67)	(56.84)
Past Service cost	-	-
Actuarial (Gains)/Losses	1.96	(45.89)
<b>PVO at the end of the year</b>	<b>178.84</b>	<b>154.95</b>

**Reconciliation of Fair value of plan assets:**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets at the beginning of the year	57.91	109.07
Adjustments:		
Return on plan assets excl. interest income	0.02	(2.29)
Interest income	4.16	7.97
Contributions by the employer	-	-
Benefits paid	0.06	(56.84)
<b>Fair value of plan assets at the end of the year</b>	<b>62.16</b>	<b>57.91</b>

**Net Liabilities / (Assets) recognised in the balance sheet:**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
PVO of the defined benefit obligation at the end of period	178.84	154.95
Fair value of planned assets at end of year	(62.16)	(57.91)
<b>Net liabilities / (Assets) recognised in the balance sheet</b>	<b>116.68</b>	<b>97.04</b>

**Amount recognised in Statement of Profit and Loss**

(Rs in lakhs)		
Particulars	2024-2025	2023-2024
Current service cost	21.46	23.05
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest	6.98	8.01
<b>Net charge to the statement of profit or loss</b>	<b>28.44</b>	<b>31.06</b>

**Amount recognised in Other Comprehensive Income (OCI)**

(Rs in lakhs)		
Particulars	2024-2025	2023-2024
Actuarial (Gain)/Loss recognised for the period	1.96	(45.89)
Return on plan assets excluding net interest	(0.02)	2.29
<b>Recognised in OCI for the year</b>	<b>1.94</b>	<b>(43.60)</b>

**Expected Payout**

(Rs in lakhs)		
Year	2024-2025	2023-2024
Expected Outflow in 1st Year	53.86	46.22
Expected Outflow in 2nd Year	30.95	25.71
Expected Outflow in 3rd Year	30.66	23.70
Expected Outflow in 4th Year	19.36	25.37
Expected Outflow in 5th Year	15.34	15.08
Expected Outflow in 6th to 10th Year	51.81	43.64

The weighted average duration of the defined benefit plan obligations at the end of reporting period is 3.49 years

**Major category of plan assets as a % of total plan**

The plan assets are being managed by LIC. No further details are made available by the fund manager. (LIC)

**Sensitivity analysis**

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Impact on present value of defined benefit obligation:		
If discount rate is increased by 0.5%	(2.84)	(2.47)
If discount rate is decreased by 0.5%	2.95	2.56
If salary escalation rate is increased by 0.5%	2.92	2.54
If salary escalation rate is decreased by 0.5%	(2.83)	(2.47)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**Principal Actuarial Assumptions**

Particulars	(Rs in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Discount Rate	6.55%	7.19%
Expected rate of return on plan assets	6.55%	7.19%
Expected rate of salary increase	7.00%	7.00%
Employee attrition rate	20.00%	20.00%
Mortality	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

These plans typically expose the Company to actuarial risks such as interest rate risk and salary risk.

- (a) Interest risk: a decrease in the bond interest rate will increase the plan liability.
- (b) Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, a variation in the expected rate of salary increase of the plan participants will change the plan liability.

**C Other short term employee benefits****Short term leave**

The expenses towards compensated absences (annual and short term leave) for the year ended March 31, 2025 of Rs. 37.66 lakhs (March 31, 2024: Rs. 37.33 lakhs), which is included in the 'Employee benefits expense' in the Statement of Profit and Loss.

**43 Related party disclosures****1 Relationships****(a) Subsidiaries**

Sarla Overseas Holding Limited - Subsidiary Company

Sarlaflex Inc. - Subsidiary Company

**(b) Fellow subsidiary**

Sarla Europe,Lda - Step down Subsidiary Company

**(c) Joint Ventures of Subsidiary**

Savitex SA De C.V., Honduras

MRK SA De C.V., Honduras

Sarla Textstill Filament Sanayi Ticaret A.S.

**(d) Entities controlled by Key Managerial Personnel**

Satidham Industries Private Limited

Hindustan Cotton Company

Harmony Estates Private Limited

Sarla Twisters Private Limited

Sarla Estate Developers Private Limited

**(e) Entities over which Key Managerial Personnel are able to exercise significant influence**

Shri Narayani Seva Sansthan

Shivchandrai Jhunjhunwala Charitable Trust

Snow White Properties Private Limited

**(f) Directors & Key Managerial Personnel****(i) Executive Director**

Krishna Jhunjhunwala - Chairman & Managing Director

Kanav Jhunjhunwala - Director

Neha Jhunjhunwala - Director

**(ii) Non Executive Directors**

Shreya Desai - Independent and Non Executive Director (till September 30, 2024)

Parantap Dave - Independent and Non Executive Director (till August 08, 2024)

Paulo Manuel Castro - Independent and Non Executive Director

Bharat Kishore Jhamvar - Independent and Non Executive Director (From August 10, 2023)

Sachin Shashikant Abhiyankar - Independent and Non Executive Director (From August 10, 2023)

**(iii) Key Managerial Personnel**

Mukesh Deopura - Chief Financial officer (Till March 26, 2024)

Kayvanna Shah - Chief Financial Officer (From June 24, 2024)

Neha Somani - Company Secretary (Till September 22, 2023)

Radhika Sharma - Company Secretary (From November 04, 2023 till September 30, 2024)

Meena Jain - Company Secretary (From December 10, 2024 till March 31, 2025)

**(g) Relatives of Key Managerial Personnel**

Chanda Deopura - Relative of Chief Financial officer (Till March 26, 2024)

Vrinda Jhunjhunwala - Relative of Chairman and Managing Director

Sarladevi Jhunjhunwala - Relative of Chairman & Managing Director and Promoter

Krishnakumar and Sons HUF - Relative of Chairman & Managing Director

Madhusudan Jhunjhunwala & Sons HUF - Relative of Chairman & Managing Director and Promoter



## Details of transactions with above related parties

Nature of Transaction	Subsidiaries		Fellow subsidiary		Entities over which Key Managerial Personnel are able to exercise significant influence		Key Managerial Personnel / Directors		Relatives of Key Managerial Personnel	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
<b>(a) Remuneration (including Retirement Benefits)</b>										
Krishna Jhunjunwala	-	-	-	-	-	-	180.00	180.00	-	-
Kanav Jhunjunwala	-	-	-	-	-	-	19.08	19.08	-	-
Neha Jhunjunwala	-	-	-	-	-	-	18.00	18.00	-	-
Kayvanna Shah	-	-	-	-	-	-	43.60	-	-	-
Mukesh Deopura	-	-	-	-	-	-	-	36.00	-	-
Neha Somani	-	-	-	-	-	-	-	7.39	-	-
Chanda Deopura	-	-	-	-	-	-	-	-	-	21.60
Vrinda Jhunjunwala	-	-	-	-	-	-	-	-	6.00	6.00
Radhika Sharma	-	-	-	-	-	-	7.74	6.45	-	-
Meena Jain	-	-	-	-	-	-	1.48	-	-	-
<b>(b) Sitting Fees</b>										
Shreya Desai	-	-	-	-	-	-	1.20	2.00	-	-
Parantap Dave	-	-	-	-	-	-	1.80	2.00	-	-
Bharat Kishore Jhamvar	-	-	-	-	-	-	3.00	0.60	-	-
Sachin Shashikant Abhiyankar	-	-	-	-	-	-	2.70	0.60	-	-

Nature of Transaction	Subsidiaries		Fellow subsidiary		Entities over which Key Managerial Personnel are able to exercise significant influence		Key Managerial Personnel / Directors		Relatives of Key Managerial Personnel	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
<b>(c) Commission paid</b>										
Sarla Europe, LDA	-	-	234.05	206.09	-	-	-	-	-	-
<b>(d) CSR expenditure</b>										
Shivchandrai Jhunjunwala Charitable Trust	-	-	-	-	40.00	5.00	-	-	-	-
<b>(e) Advance Given for Goods</b>										
Sarlaflex Inc.	-	91.64	-	-	-	-	-	-	-	-
<b>(e) Repayment Received Against Advance Given for Goods</b>										
Sarlaflex Inc.	224.12	-	-	-	-	-	-	-	-	-
<b>(f) Rent Paid</b>										
Krishna Jhunjunwala	-	-	-	-	-	-	21.60	21.60	-	-
Madhusudan Jhunjunwala & Sons HUF	-	-	-	-	-	-	-	-	21.60	21.60
Hindustan Cotton Co.	-	-	-	-	13.50	13.50	-	-	-	-
<b>(g) Security Deposit</b>										
Krishna Jhunjunwala	-	-	-	-	-	-	-	-	-	-
Madhusudan Jhunjunwala & Sons HUF	-	-	-	-	-	-	-	-	-	11.00
Hindustan Cotton Co.	-	-	-	-	-	36.00	-	-	-	-

## Key management personnel compensation

(Rs. In lakhs)

Particulars	2024-2025	2023-24
Short-term employee benefits	269.90	266.92
Post-employment benefits	-	-
Others (including sitting fees to non-executive directors)	8.70	5.20

## 3 Balances Outstanding:

(Rs. In lakhs)

Nature of Transaction	As at March 31, 2025	As at March 31, 2024
<b>(a) Investment in Shares</b>		
Sarla Overseas Holding Limited	183.22	183.22
Sarlaflex Inc.-Equity	596.50	596.50
Sarlaflex Inc.-Preference	7,824.85	7,824.85
<b>(b) Unsecured Loan Given</b>		
Sarlaflex Inc.	219.51	213.74
<b>(c) Trade Receivables</b>		
Sarla Overseas Holding Limited	-	235.22
<b>(d) Advances given for goods/services</b>		
Sarlaflex Inc.	286.09	510.21
Sarla Europe, LDA	2.72	12.29
<b>(e) Security Deposit</b>		
Krishna Jhunjhunwala	11.00	11.00
Hindustan Cotton	36.00	36.00
Madhusudan Jhunjhunwala & Sons HUF	11.00	11.00

## Notes:

- (a) The transactions with related parties are made in the normal course of business and on the terms equivalent to those that prevails in the arm's length transactions.
- (b) Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.
- (c) There have been no guarantees provided or received for any related party receivables or payables.
- (d) Impairment provision amounting to Rs 440 Lakhs (for the year ended 31st March 2024: Nil) has been recognised in respect of investment in shares of wholly owned subsidiaries.
- (e) The company has made a provision aggregating to Rs. 505.60 lakhs (for the year ended 31st March 2024: Nil) against the loan and advances given to the wholly owned subsidiary company..

## 44 Segment information

As per the requirements of para 4 of Ind AS 108 -Operating Segments, segment information has been provided under the Notes to Consolidated Financial Statements.

## 45.1 Contingent liabilities not provided for:

Claims against the company not acknowledged as debt:

- (i) Claim against Company not acknowledged as debt, comprises of excise duty & Custom duty disputed by company relating to issue of applicability of duty and classification of goods aggregating to Rs.963.16 lakhs (As at March 31, 2024: Rs. 963.16 lakhs).
- (ii) The Differential CST liability in respect of Non Collection of C Forms of Rs. 42.12 lakhs (As at March 31, 2024: Rs. 42.12 lakhs).
- (iii) Goods and Service Tax (GST) demand for Rs 643.51 lakhs pertaining to the GST refund availed on exports on payment of IGST in EOU unit for FY 2018-19 to 2021-22 (As at March 31, 2024: Rs 643.51 lakhs). The matter is sub-judiciary with the Commissioner of CGST & Central Excise, Appeals. The company has deposited Rs. 117.00 Lakhs (As at March 31, 2024: Rs 58.50 Lakhs) against the demand under protest.
- (iv) Goods and Service Tax (GST) demand for Rs 13.54 lakhs pertaining to the Input tax credit availed on input services from various suppliers for FY 2017-18 to 2022-23 (As at March 31, 2024: Rs Nil). The matter is sub-judiciary with the Commissioner of CGST & Central Excise. The company has deposited Rs. 1.35 Lakhs (As at March 31, 2024: Rs Nil) against the demand under protest.

## 45.2 Capital Commitments

(Rs. In lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
For capital expenditures (net of advances of Rs. 105.00 lakhs (As at March 31, 2024: Rs. 55.00 lakhs))	130.00	120.00
For Investments in Alternative Investment Funds (net of advances of Rs. 15.00 lakhs (As at March 31, 2024: Rs. NIL))	2,132.09	525.00

## 46 Financial instruments

## A Capital Management:

The Company manages its capital structure with a view to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as detailed in notes 23 & 27) and total equity of the Company.

The Company's management reviews the capital structure of the Company on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at the end of the reporting period was as follows:

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Non-current borrowings	1,533.33	2,300.00
Current borrowings (incl current maturities of non-current borrowings)	15,469.21	11,047.19
<b>Total Debt</b>	<b>17,002.55</b>	<b>13,347.19</b>
Equity	51,828.03	46,845.15
<b>Net debt to equity ratio</b>	<b>0.33</b>	<b>0.28</b>



**B Financial Instruments-Classifications and Fair value measurements (Ind AS 107)****i) Classification of Financial Assets and Liabilities:**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets</b>		
At Amortised cost		
Investments in Debentures	-	3,044.32
Investment in Treasury Bill	241.16	977.02
Trade receivables	9,382.95	9,129.54
Cash and cash equivalents	170.70	219.63
Bank balances other than above	35.30	810.61
Loans	23.15	238.95
Other financial assets	1,281.29	676.80
<b>At Fair value through Profit and Loss</b>		
Investments in Equity Shares	5,848.24	3,356.28
Derivative contracts	25.35	282.82
Investments in Debentures	537.83	923.54
Investments in Mutual Funds	20,662.75	11,027.64
Investments in Alternative Investment Fund	1,269.72	74.68
<b>Total</b>	<b>39,478.44</b>	<b>30,761.81</b>
<b>Financial liabilities</b>		
At Amortised cost		
Borrowings	17,002.55	13,347.19
Lease Liabilities	828.28	190.65
Trade payables	3,220.84	3,883.20
Other Financial liabilities	1,905.90	1,445.73
<b>At Fair value through Profit and Loss</b>		
Derivative contracts - Future and Options Trading	83.47	29.13
<b>Total</b>	<b>23,041.04</b>	<b>18,895.90</b>

**Note:** Above table excludes Investment in subsidiaries which are measured at cost. (Refer note 7)

**ii) Fair Value Measurements (Ind AS 113):**

The fair value of the Financial Assets and Liabilities are included at the amount, at which instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

Level 1:	This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares which are traded on the stock exchanges, is valued using the closing price at the reporting date.
Level 2:	The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
Level 3:	If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(Rs in lakhs)

Particulars	Fair Values	
	As at March 31, 2025	As at March 31, 2024
<b>Financial Assets at Fair Value through Profit and Loss</b>		
Investments in quoted equity shares (Level 1)	4,848.25	3,356.28
Derivative contracts (Level 2)	25.35	282.82
Investments in debentures (Level 2)	537.83	923.54
Investments in Mutual Funds (Level 2)	20,662.75	11,027.64
Investments in Alternative Investment Funds (Level 3)	1,269.72	74.68
Investments in unquoted equity shares (Level 3)	999.99	-
<b>Total</b>	<b>28,343.89</b>	<b>15,664.96</b>

The management assessed that cash and bank balances, trade receivables, loans, trade payables, borrowings (cash credit, foreign currency loans, working capital loans) and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

During the reporting period ending March 31, 2025 and March 31, 2024, there was no transfer between level 1 and level 2 fair value measurement.

**Key Inputs for Level 1 and 2 Fair valuation Technique:**

1. Mutual Funds: Based on Net Asset Value of the Scheme (Level 2)
2. Derivative (forward) contracts : The fair value is determined using quoted forward exchange rates at the reporting date. (Level 2)
3. Debentures: Based on comparable instruments (Level 2)
4. Listed Equity Investments (other than Subsidiaries): Quoted Bid Price on Stock Exchange (Level 1)

The following table sets out the fair value of derivatives held by the Company as at the end of each reporting period:

Particulars	Fair Values			
	As at March 31, 2025		As at March 31, 2024	
	Assets	Liabilities	Assets	Liabilities
a) Foreign currency forward and option	25.35	-	282.82	-
b) Stock Options	-	83.47	-	29.13
c) Interest rate swaps and collars	-	-	-	-
Classified as:				
Non-Current	-	-	-	-
Current	25.35	-	282.82	-

As at the end of the reporting period total notional amount of outstanding foreign currency contracts that the Company has committed to is as below:

Particulars	Notional Values			
	As at March 31, 2025		As at March 31, 2024	
	Assets	Liabilities	Assets	Liabilities
a) Foreign currency forward and option	676.73	-	3,050.49	-
b) Stock Options	-	70.12	-	39.36
c) Interest rate swaps and collars	-	-	-	-

#### 47 Financial risk management objectives (Ind AS 107)

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The key risks and mitigating actions are also placed before the Audit Committee of the Company.

The Company has exposure to the following risks arising from financial instruments:

- A) Credit risk;
- B) Liquidity risk; and
- C) Market risk

##### A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises primarily from financial assets such as trade receivables, investments in mutual funds, alternative investment funds, preference shares, debentures, derivative financial instruments, other balances with banks, loans and other receivables.

##### Trade and other receivables

Customer credit is managed by each business unit subject to the Company's established policies, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 0 to 180 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company does not hold collateral as security. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The following table provides information about the exposure to credit risk and Expected Credit Loss Allowance for trade and other receivables:

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Up to 180 days	8,826.07	8,618.97
181-365 days	499.14	139.24
Above 365 days	100.56	413.91
<b>Total</b>	<b>9,425.78</b>	<b>9,172.12</b>

##### Movement in allowances as per expected credit loss model

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Balance at beginning of the year	42.58	17.46
Movement in expected credit loss allowance	0.25	25.12
<b>Balance at end of the year</b>	<b>42.83</b>	<b>42.58</b>

##### Loans

The Company has given interest free unsecured loan to subsidiary, Sarlaflex Inc. The subsidiary has suspended its manufacturing operations since December, 2017 and has a negative net worth as on March 31, 2025. Credit risk have been increased significantly for these loans and accordingly necessary impairment provisions have been made.

##### Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in Equity Shares, preference shares, debentures, treasury bills, government securities, mutual funds, alternative investments funds and derivative contracts. The Group has diversified portfolio of investment with various number of counter parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Group.

##### B Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Company through effective fund management. The Company's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The following are the remaining contractual maturities of financial liabilities at the reporting date. Amounts disclosed are the contractual un-discounted cash flows.

##### Maturity analysis of significant financial liabilities

Particulars	As at March 31, 2025			As at March 31, 2024		
	Carrying amount	Contractual cash flows		Carrying amount	Contractual cash flows	
		Upto 1 year	More than 1 year		Upto 1 year	More than 1 year
<b>Financial liabilities</b>						
Borrowings (including Current Maturities of Long-Term Borrowings)	17,002.55	15,469.21	1,533.33	13,347.19	11,047.19	2,300.00
Trade and other payables	3,220.84	3,220.84	-	3,883.20	3,883.20	-
Other financial liabilities	1,905.90	1,905.90	-	1,445.73	1,445.73	-
Futures & Option Trading	83.47	83.47	-	29.13	29.13	-
Lease Liabilities	828.28	148.32	679.97	190.65	75.25	115.40
<b>Total</b>	<b>23,041.04</b>	<b>20,827.74</b>	<b>2,213.30</b>	<b>18,895.90</b>	<b>16,480.50</b>	<b>2,415.40</b>

##### C Market risk

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

##### I Currency Risk

The Company is exposed to currency risk on account of its operating and financing activities. The functional currency of the Company is Indian Rupee. Company's exposure is mainly denominated in U.S. dollars (USD). The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks. The Company uses derivative instruments (mainly foreign exchange forward contracts) to mitigate the risk of changes in foreign currency exchange rate.

The Company does not use derivative financial instruments for trading or speculative purposes.



**Exposure to currency risk**

The currency profile of financial assets and financial liabilities are as below:

(Rs in lakhs)

Particulars	As at March 31, 2025			As at March 31, 2024		
	USD	GBP	EURO	USD	GBP	EURO
<b>Financial assets</b>						
Cash and cash equivalents	25.54	-	0.00	82.89	-	0.00
Trade receivables	2,796.90	359.66	1,178.61	4,252.73	378.74	1,252.21
Loans	219.51	-	-	213.74	-	-
Less: Foreign currency forward exchange contracts	(171.16)	-	(553.95)	-	-	(3,121.73)
<b>Net exposure for assets</b>	<b>2,870.79</b>	<b>359.66</b>	<b>624.67</b>	<b>4,549.36</b>	<b>378.74</b>	<b>(1,869.52)</b>
<b>Financial liabilities</b>						
Foreign Currency Loans	-	-	-	-	-	-
Short term borrowings	-	-	-	-	-	-
Trade and other payables	2,205.64	-	2.79	2,312.90	-	2.73
Less: Foreign currency forward exchange contracts	-	-	-	-	-	-
<b>Net exposure for liabilities</b>	<b>2,205.64</b>	<b>-</b>	<b>2.79</b>	<b>2,312.90</b>	<b>-</b>	<b>2.73</b>
<b>Net exposure (Assets - Liabilities)</b>	<b>665.15</b>	<b>359.66</b>	<b>621.88</b>	<b>2,236.46</b>	<b>378.74</b>	<b>(1,872.24)</b>

**Sensitivity analysis**

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Company at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% charge in foreign currency rate. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Company's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

**Impact on profit or loss**

(Rs in lakhs)

Particulars	Increase in Exchange rate by 5%		Decrease in Exchange rate by 5%	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
USD	33.26	111.82	(33.26)	(111.82)
GBP	17.98	18.94	(17.98)	(18.94)
EURO	31.09	(93.61)	(31.09)	93.61

**II Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. The Company's exposure to the risk due to changes in interest rates relates primarily to the Company's short-term and long term borrowings with floating interest rates. The Company constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.

The Company has given interest free loan to Subsidiaries for business purpose.

The Company's investments in term deposits (i.e., certificates of deposits) with banks, investments in preference shares, mutual funds and debentures are at fixed interest rate and therefore do not expose the Company to significant interest rates risk.

**Interest Rate Exposure:**

(Rs in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Term loans - long term</b>		
Floating Rate Borrowings	-	-
Fixed Rate Borrowings	2,300.00	2,310.56
Short term borrowings	14,702.55	11,036.63
<b>Total</b>	<b>17,002.55</b>	<b>13,347.19</b>

**Interest rate sensitivities for floating rate borrowings :**

(Rs in lakhs)

Particulars	Increase in interest rate by 0.25%		Decrease in interest rate by 0.25%	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Short term borrowings	(36.76)	(27.59)	36.76	27.59

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

**III Price Risk**

The Company has deployed its surplus fund into various financial instruments including units of mutual fund, bond, debentures etc. The Company is exposed to price risk on such investments, which arises on account of interest rate, liquidity and credit quality of underlying securities.

**48. Financial Performance Ratios:**

(Rs in lakhs)

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% Variation	Reason for variation
Current Ratio (Times)	Current Assets	Current Liabilities	1.18	1.44	-18.03%	
Debt-Equity Ratio (Times)	Total Debt	Shareholder's Equity	0.33	0.28	17.86%	
Debt Service Coverage Ratio (Times)	Earnings available for debt service	Debt Service	0.82	0.71	15.49%	
Return on Equity Ratio (%)	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	13.44%	11.00%	22.18%	
Inventory turnover ratio (Times)	Cost of goods sold	Average Inventory	5.35	4.84	10.54%	
Trade Receivables turnover ratio (Times)	Net Credit Sales	Avg. Accounts Receivable	4.58	5.00	-8.40%	
Trade payables turnover ratio (Times)	Net Credit Purchases	Average Trade Payables	9.59	8.04	19.28%	
Net capital turnover ratio (Times)	Net Sales	Working Capital	7.37	6.45	14.26%	
Net profit ratio (%)	Net Profit	Net Sales	11.76%	9.72%	20.99%	
Return on Capital employed(%)	Earning before interest and taxes	Capital Employed	10.58%	8.81%	20.09%	
Return on Investment (%)	Income from Investment	Average Investment	8.78%	11.97%	16.56%	

Note: Explanation for change in ratio by more than 25%

## 49 Leases

## I Disclosure in respect of operating lease (as Lessee):

- a) Additions to right of use assets during the reporting year ended March 31, 2025 and its carrying value as on that date

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Addition of right-of-use assets that do not meet the definition of investment property</b>		
Lease hold Land and Buildings	786.02	1.33
<b>Total</b>	<b>786.02</b>	<b>1.33</b>
<b>Depreciation charged during the current year</b>		
Lease hold Land and Buildings	167.95	82.11
<b>Total</b>	<b>167.95</b>	<b>82.11</b>
<b>Carrying value of Right-of-use assets</b>		
Lease hold Land and Buildings	826.93	208.86
<b>Total</b>	<b>826.93</b>	<b>208.86</b>

- (b) Movement in lease liabilities for the year ended:

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	190.65	288.45
Additions	824.01	(9.49)
Payment of lease liabilities	(186.38)	(88.32)
<b>Total Lease liabilities</b>	<b>828.28</b>	<b>190.65</b>

- (c) Maturity Analysis of Lease liabilities

Maturity analysis for lease hold Land and Buildings	As at March 31, 2025	As at March 31, 2024
Less than one year	164.39	58.60
One to five years	581.82	59.64
More than five years	188.74	1.75
<b>Total undiscounted lease liabilities for the year ended</b>	<b>934.95</b>	<b>119.99</b>
Lease liabilities included in the statement of financial position		
Current	148.32	75.25
Non-current	679.97	115.40
<b>Total Lease Liabilities</b>	<b>828.28</b>	<b>190.65</b>

- (d) Amounts recognised in the statement of profit or loss

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation charge for right-of-use assets	167.95	82.11
Interest on lease liabilities (included in finance cost)	53.20	15.66
The expense relating to short-term leases	-	-
The expense relating to leases of low-value assets	-	-
The expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Income from subleasing right-of-use assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-
<b>Total Amount recognised in the statement of profit or loss</b>	<b>221.15</b>	<b>97.77</b>

- (e) Amount recognised in the statement of cash flows

Particulars	As at March 31, 2025	As at March 31, 2024
Total cash outflow for leases (excluding short-term leases, leases of low-value assets)	186.38	88.32

## 50 CSR Expenditure

- a) Gross amount required to be spent by the Company during the year - Rs. 91.92 lakhs (March 31, 2024: Rs.100.61 lakhs)

- b) Amount spent during the year

(Rs in Lakhs)

	For the year ended March 31, 2025						
	Opening Balance	Amount required to be spent during the year	Amount spent during the year	(Shortfall)/ Excess for the year	Total of previous years shortfall	Reason for shortfall	Nature of CSR Activities
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the amount of provision made and movements in the provision during the year.	45.11	91.92	53.15	6.34	-	-	Medical Facilities and Social engagement awareness campaign.
NA							Out of above, Rs. 40.00 lakhs Contributed to Shivchandrai Jhunjhunwala Charitable Trust which is related party
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the amount of provision made and movements in the provision during the year.	140.72	100.61	5.00	45.11	-	-	Medical Facilities
N.A.							Out of above, Rs. 5.00 lakhs Contributed to Shivchandrai Jhunjhunwala Charitable Trust which is related party.

- c) Unspent amount of CSR expenditure for prior years is Rs. 295 lakhs



**51 (a) Advance(s) in the nature of Loan as per Regulation 34 (3) read with schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

(Rs in lakhs)			
Particulars	Relationship	31.03.2025	31.03.2024
<b>Name of the loanee - Sarlaflex Inc.</b>			
<b>In respect of Inter Corporate Deposits</b>	Wholly owned Subsidiary		
Amount as at year end		219.51	213.74
Maximum amount outstanding		219.51	213.74

**(b) Particulars of Loans, Guarantees or Investments covered under section 186(4) of the Companies Act, 2013**

Name of the Party	Nature	Amount	Purpose
Sarla Overseas Holding Ltd	Investments in Equity Shares	183.22	Capital Investment
Sarlaflex Inc.*	Investments in Equity Shares	596.50	Capital Investment
	Investments in Preference Shares	7,824.85	Capital Investment
	Inter - Corporate Loans	219.51	Capital Expenditure and Working Capital

\* Excluding Impact of Impairment provisions

**52** Balances in loans and advances, trade receivables, trade payables and borrowings are subject to confirmations and reconciliations, if any, however the management does not expect any material differences.

**53 Exceptional Item**

Company's Wholly Owned Subsidiary, Sarlaflex, Inc. has suspended its manufacturing operations since December 2017. Thus, management of the Subsidiary is presently monitoring the situation on a continuous basis and exploring all options including sale of the undertaking. Based on the impairment indicator, Company has tested its investments in Sarlaflex, Inc. for whether any impairment is required to be recognised in accordance with the requirements of Ind AS 36 -Impairment of Assets.

As at 31st March, 2025, the Company has gross exposure amounting to Rs. 8,926.95 lakhs by way of investments in preference shares, equity shares of Sarlaflex, Inc, loans and advances given to Sarlaflex, Inc. Impairment assessment of those gross exposure have been performed by comparing carrying value to their recoverable amount. Further, an impairment of Rs. 1,840.10 was recognised in previous years. For the purpose of impairment testing, recoverable amount of Investments in equity and preference shares has been determined considering valuation report dated 28th August, 2024 obtained from an external expert. Consequently, impairment provision amounting to Rs. 440 lakhs has been recognised in the Statement of Profit and Loss as an exceptional item. Deferred tax assets is not recognised for impairment provision on investments in subsidiary on account of reasonable certainty in accordance with Ind AS 12 - Income Taxes.

**54 Impairment of investments in subsidiary (During F.Y. 2024-25)**

- Impairment loss recognized in statement of Profit and Loss (as an exceptional item ) as Quarter ended September 2024 : Rs. 440 lakhs
- Revised Carrying Amount as at March 31, 2025: Rs. 5,544 lakhs (after reducing earlier impairment loss on recognised on 30th September 2024, of Rs. 440 lakhs
- Recoverable amount: Rs. 5,810 lakhs
- Value in use: Rs. 5,623 lakhs
- Assumptions used for valuation by an external expert:
  - Valuation is carried out under Ind AS 36, Discounted Cash Flow is worked out with a weighted average Cost of Capital 10%
  - The Future projected Cash Flows were taken into consideration for discounting purposes based on updated cash flows and market conditions.

- Terminal Growth Rate: 2% future projected cash folws

No Further impairment required as at March 31, 2025 as VIU is higher then Carrying value

**55 Other disclosures**

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.
- There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237of the Companies Act, 2013.
- The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company have not traded or invested in Crypto currency or Virtual Currency during the year.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period except few charges, for which the company is in process of satisfying charge against which payment has been made.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**56 Relationship with Struck off Companies**

(Rs. In Lakhs)							
Sr. No.	Name of struck off Company	Nature of transactions with struck off Company	Transaction during the year ended March 31, 2025	Balance outstanding as on March 31, 2025	Transaction during the year ended March 31, 2024	Balance outstanding as on March 31, 2024	Relationship with the Struck off company
1	DeSimran Cartons Pvt Ltd	Advance paid towards purchase of Property	--	55.00	--	55.00	Seller
		Security Deposit against Lease of property	0.79	56.31	--	57.10	Lessor
2	Blue Blends (India) Limited	Sale of yarn	--	104.00	--	104.00	Customer

Note- The Company has initiated legal proceedings against both the above Companies for claiming the outstanding amount and the same in sub-judiced. The balances whether recoverable will be decided on the basis of Hon'ble Court's judgement.

**57** For the Financial Year 2024-25, the company has paid Rs.359.85 lakhs inclusive of interest and penalty towards the labilities arising form disallowance of input tax credit pursuant to an audit conducted by GST authorities from FY 2018-19 to 2022-23.

This amount has been recognized in the statement of Profit and Loss under the head “Other Expenses” and “Finance Cost”.

**58** For the Financial Year 2024-25, the company has made a provision aggregating to Rs. 505.60 lakhs against the loan and advances given to the wholly owned subsidiary company.

This amount has been recognized in the statement of Profit and Loss under the head “Other Expenses”.

**59 Events after the reporting period**

No adjusting or significant non - adjusting events have occurred between the reporting date (March 31, 2025) and the report release date (April 25, 2025)

**60** Figures for previous year have been regrouped, wherever necessary

As per our attached report of even date

For **C N K & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm's Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors

**SURESH AGASKAR**  
Partner  
Membership No. 110321

**KRISHNA M. JHUNJHUNWALA**  
Managing Director  
(DIN: 00097175)

**KANAV JHUNJHUNWALA**  
Whole time Director  
(DIN: 09507192)

**KAYVANNA SHAH**  
Chief Financial Officer

**KAPIL YADAV**  
Company Secretary

Place: Mumbai  
Date: April 25, 2025

Place: Mumbai  
Date: April 25, 2025

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF**

**SARLA PERFORMANCE FIBERS LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

**Opinion**

We have audited the accompanying consolidated financial statements of Sarla Performance Fibers Limited (“the Holding Company”) and its subsidiaries (the Holding Company and Subsidiaries together referred to as “the Group”), which comprise the consolidated Balance Sheet as at 31st March 2025, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended and notes to the consolidated financial statements, including a summary of Material accounting policies and other explanatory information (hereinafter referred to as “the Consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2025, its consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for

the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on consolidated financial statements.

**Emphasis of Matters**

- a) As reported in the component auditor’s report of Sarlalex Inc., a subsidiary, the Financial results of the company is prepared on ‘Going Concern’ basis in spite of suspension of manufacturing operations since December 2017 and net worth becoming negative;
- b) As reported in the component auditor’s report of SOHL, the investments made by 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 31st March, 2025. 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 statements;

Our opinion is not modified in respect of these matters.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Sr no	Key Audit Matter	Auditor's Response
1.	<b>Litigations, Provisions and contingent liabilities</b>  The Holding Company has litigations which also include matters under dispute involving significant management judgement and estimates on the possible outcome of the litigations and consequent provisioning thereof or disclosure as contingent liabilities.  Refer Note 45.1 to the consolidated financial statements.	<b>Principal Audit Procedures</b>  As part of audit process, we obtained from the Holding Company's management details of matters under dispute including ongoing and completed tax assessments, demands and litigations.  Our audit approach for the above consists of the following audit procedures: <ul style="list-style-type: none"> <li>Evaluation and testing of the design of internal controls followed by the Holding Company relating to litigations and open tax positions for indirect taxes and process followed to decide provisioning or disclosure as Contingent Liabilities;</li> <li>Discussed with Holding Company's management for sufficient understanding of on-going and potential legal matters impacting the Company;</li> <li>We involved our internal experts to evaluate the Holding Company's management's underlying judgements in making their estimates with regards to such matters.</li> </ul>
2.	<b>Information Technology (IT) systems and controls over financial reporting</b>  We identified IT systems and controls over financial reporting as a key audit matter for the Holding Company because its financial accounting and reporting systems are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, specifically with respect to revenue and inventories. Also, due to large transaction volumes and the increasing challenge to protect the integrity of the Holding Company's systems and data, cyber security has become more significant;  Automated accounting procedures and IT environment controls, which include IT governance, IT general controls over program development and changes, access to program and data and IT operations, IT application controls and interfaces between IT applications are required to be designed and to operate effectively to ensure accurate financial reporting.	<b>We applied the following audit procedures among others, to obtain sufficient and appropriate audit evidence, by our IT Specialist:</b> <ul style="list-style-type: none"> <li>Assessed the complexity of the IT environment through discussion with the IT team and identified IT applications including for audit trail (audit log) that are relevant to our audit;</li> <li>Assessed the design and evaluation of the operating effectiveness of IT general controls over program development and changes, access to program and data and IT operations;</li> <li>Performed inquiry procedures with the IT team of the Company in respect of the overall security architecture and any key threats addressed by the Company in the current year;</li> <li>Assessed the design and evaluation of the operating effectiveness of IT application controls in the key processes impacting financial reporting of the Company;</li> <li>Assessed the operating effectiveness of IT application controls including for audit trail (audit log) in the key processes impacting financial reporting of the Company on test check basis</li> </ul>

### Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Management and Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' Report including Annexures to Directors' Report, and Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon. The other information as above is expected to be made available to us after the date of this audit report.

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated statement of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group in accordance with the accounting principles generally accepted in India including the Ind AS specified under section 133 of the Act. The respective Management and Board of Directors of the Companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws

and regulations including those related to retention of audit logs and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Management and Board of Directors either intends to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Management and Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may

involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company have adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are independent auditors and whose financial information we have audited to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible

for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion; Our responsibilities in this regard are further described in 'Other Matter' paragraph in this audit report.

- Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance of the Holding Company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards;

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

We did not audit the financial statements of subsidiaries included in the statement, whose financial statements reflect total assets of Rs. 3,404.71 lakhs, total liabilities of Rs. 8,198.49 lakhs as at 31st March, 2025; total revenue of Rs. 1,407.13 lakhs and total comprehensive income (before consolidation adjustments) of Rs 645.94 lakhs for the year ended 31st March, 2025 as considered in the Consolidated Financial Results. These financial statements have been audited by other auditors whose reports have been furnished

to us by the Management, and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors, and such other procedures performed by us as stated in the preceding paragraph above.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. The conversion adjustments made by holding company's management has been audited by other auditors. Our opinion, in so far as it relates to the balances and affairs of such subsidiaries is based on the report of other auditors and conversion adjustments prepared by the Management of the Holding Company and audited by other auditors;

Our opinion is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. Reporting under Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act is not applicable to subsidiaries incorporated outside India, hence, our report on consolidated financial statements does not contain a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of subsidiaries, as were audited by other auditors, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it

appears from our examination of those books and reports of the other auditors;

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements comply with the Ind AS;
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2025 taken on record by the Board of Directors of the Holding Company, none of the director of the Holding Company is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Act;
- f) As per the Guidance Note on 'Audit of Internal Financial Controls over Financial Reporting' (revised) issued by Institute of Chartered Accountants of India, since there are no subsidiaries incorporated in India, no reporting on the adequacy of the internal financial controls with reference to financial statements of subsidiaries and the operating effectiveness of such controls is required. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and operating effectiveness of such controls, refer to our report in 'Annexure B' of the standalone financial statements;
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:



- i.

The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer note 45.1 to the consolidated financial statements);

ii.

The Group has made provision in the consolidated financial statements, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii.

There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company

iv.

a)

The Management of the Holding Company has represented that, to the best of its knowledge and belief, as disclosed in note no. 54 (7) to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b)

The Management of Holding Company has represented, that, to the best of its knowledge and belief, as disclosed in note no. 54 (8) to the standalone financial statements, no funds (which are material either individually or in the aggregate) have been received by the Holding Company from any person or entity, including foreign

entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c)

Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under iv (a) and iv (b) above, contain any material misstatement.

v.

There were no amounts which were declared or paid during the year as dividend by the Holding Company.

vi.

Based on our examination, which included test checks, that performed by us on the Holding Company, the Holding company has used accounting software for maintaining its books of account which has the feature of recording audit trail (edit logs) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instances of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

As all the subsidiaries are incorporated outside India, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for such subsidiaries.

3.

With respect to the matter to be included in the Auditor’s Report under Section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us,

the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V to the Act.

For C N K & Associates LLP

Chartered Accountants

Firm Registration Number: 101961W/W-100036

Suresh Agaskar

Partner

Membership No.: 110321

UDIN: 25110321BMKWHE4571

Place: Mumbai

Date: April 25, 2025

## Consolidated Balance Sheet as at 31st March 2025

(Rs in lakhs)			
Particulars	Note No.	As at March 31, 2025	As at March 31, 2024
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	4	23,866.45	23,987.03
(b) Intangible assets	5	30.62	51.71
(c) Intangible assets under development	6	-	8.49
(d) Financial Assets			
(i) Investments accounted for using equity method	7	-	-
(ii) Other Investments	8	23,625.44	14,933.85
(iii) Loans	9	8.35	9.55
(iv) Other financial assets	10	82.93	342.77
(e) Non current Tax Assets (Net)	11	44.32	44.32
(f) Other non-current assets	12	412.33	155.53
<b>Total non-current assets</b>		<b>48,070.43</b>	<b>39,533.26</b>
<b>(2) Current assets</b>			
(a) Inventories	13	9,992.12	8,472.88
(b) Financial Assets			
(i) Investments	14	4,934.25	4,469.62
(ii) Trade receivables	15	9,444.71	9,105.98
(iii) Cash and cash equivalents	16	248.24	368.91
(iv) Bank balances other than (iii) above	17	35.30	810.61
(v) Loans	18	14.81	15.66
(vi) Other financial assets	19	1,223.72	756.38
(c) Other current assets	20	1,302.87	1,527.17
<b>Total current assets</b>		<b>27,196.01</b>	<b>25,527.21</b>
<b>Total Assets</b>		<b>75,266.44</b>	<b>65,060.48</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	21	835.03	835.03
(b) Other Equity	22	48,151.91	41,996.15
Equity attributable to equity share holders		48,986.94	42,831.18
Non-controlling interests		6.86	6.52
<b>Total equity</b>		<b>48,993.80</b>	<b>42,837.70</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	1,775.42	2,458.38
(ia) Lease Liabilities	24	679.97	115.40
(b) Provisions	25	112.50	95.85
(c) Deferred tax liabilities (Net)	26	1,883.99	2,342.48
<b>Total non-current liabilities</b>		<b>4,451.87</b>	<b>5,012.11</b>
<b>(2) Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	27	15,469.21	11,047.19
(ia) Lease Liabilities		148.32	75.25
(ii) Trade payables	28		
(A) total outstanding dues of micro enterprises and small enterprises		143.95	492.21
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		3,078.84	3,408.26
(iii) Other financial liabilities	29	1,989.37	1,474.87
(b) Other current liabilities	30	446.91	549.75
(c) Provisions	31	76.26	72.40
(d) Current Tax Liabilities (Net)	32	467.86	90.75
<b>Total current liabilities</b>		<b>21,820.77</b>	<b>17,210.67</b>
<b>Total Liabilities</b>		<b>26,272.64</b>	<b>22,222.78</b>
<b>Total Equity and Liabilities</b>		<b>75,266.44</b>	<b>65,060.48</b>

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For **C N K & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm's Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors

**SURESH AGASKAR**  
Partner  
Membership No. 110321

**KRISHNA M. JHUNJHUNWALA**  
Managing Director  
(DIN: 00097175)

**KANAV JHUNJHUNWALA**  
Whole time Director  
(DIN: 09507192)

**KAYVANNA SHAH**  
Chief Financial Officer

**KAPIL YADAV**  
Company Secretary

Place: Mumbai  
Date: April 25, 2025

Place: Mumbai  
Date: April 25, 2025

## Consolidated Statement of profit and loss for the year ended 31st March, 2025

(Rs in lakhs)				
Sr. No.	Particulars	Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
I	Revenue from Operations	33	42,710.09	38,326.12
II	Other Income	34	2,518.92	2,093.94
III	<b>TOTAL INCOME (I+II)</b>		<b>45,229.01</b>	<b>40,420.06</b>
IV	<b>Expenses</b>			
(a)	Cost of materials consumed	35	20,082.27	18,553.99
(b)	Changes in inventories of finished goods and work-in-progress	36	(1,015.68)	1,438.03
(c)	Employee benefits expense	37	2,128.54	1,953.58
(d)	Finance costs	38	1,064.42	581.00
(e)	Depreciation and amortization expense	39	2,502.16	2,789.21
(f)	Other expenses	40	12,581.43	10,596.00
	<b>TOTAL EXPENSES (a to f)</b>		<b>37,343.14</b>	<b>35,911.82</b>
V	<b>Profit before share of net profits of investment accounted for using equity method and tax (III-IV)</b>		<b>7,885.87</b>	<b>4,508.24</b>
VI	Share of net profit/(loss) of Joint ventures accounted for using the equity method		-	-
VII	<b>Profit before tax (V+VI)</b>		<b>7,885.87</b>	<b>4,508.24</b>
VIII	<b>Tax expense:</b>			
	Current tax		2,091.09	1,138.50
	Deferred tax		(458.00)	79.78
	Adjustments for earlier years		16.86	17.92
	<b>Total tax expense</b>		<b>1,649.96</b>	<b>1,236.20</b>
IX	<b>Profit / (Loss) for the year (VII-VIII)</b>		<b>6,235.91</b>	<b>3,272.04</b>
X	<b>Other Comprehensive Income ('OCI')</b>			
A	(i) Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plan		(1.94)	43.60
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plan		0.49	(10.97)
	<b>Total (A)</b>		<b>(1.45)</b>	<b>32.63</b>
B	(i) Items that will be reclassified to profit or loss			
	Foreign exchange differences in translating financial statements of foreign operations		(79.64)	15.87
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	<b>Total (B)</b>		<b>(79.64)</b>	<b>15.87</b>
	<b>Total Other comprehensive income (A+B)</b>		<b>(81.09)</b>	<b>48.50</b>
XI	<b>Total comprehensive income for the year (IX+X)</b>		<b>6,154.83</b>	<b>3,320.54</b>
	<b>Profit attributable to:</b>			
	Owners of the Company		6,235.73	3,291.19
	Non-Controlling Interest		0.18	(19.15)
	<b>Other Comprehensive Income attributable to:</b>			
	Owners of the Company		(81.24)	48.42
	Non-Controlling Interest		0.16	0.08
	<b>Total Comprehensive Income attributable to:</b>			
	Owners of the Company		6,154.49	3,339.61
	Non-Controlling Interest		0.34	(19.06)
XII	<b>Earnings per equity share</b>	41		
	- Basic and Diluted (Face value Re. 1)		7.47	3.94

As per our attached report of even date

For **C N K & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm's Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors

**SURESH AGASKAR**  
Partner  
Membership No. 110321

**KRISHNA M. JHUNJHUNWALA**  
Managing Director  
(DIN: 00097175)

**KANAV JHUNJHUNWALA**  
Whole time Director  
(DIN: 09507192)

**KAYVANNA SHAH**  
Chief Financial Officer

**KAPIL YADAV**  
Company Secretary

Place: Mumbai  
Date: April 25, 2025

Place: Mumbai  
Date: April 25, 2025



## Consolidated Statement of cash flows for the year ended 31st March, 2025

(Rs in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A Cash flows from operating activities</b>		
Profit before tax	7,885.88	4,508.25
<b>Adjustments for:</b>		
Finance costs	1,020.74	581.00
Depreciation and amortisation expenses	2,502.16	2,789.21
Interest income	(320.49)	(418.39)
Gain on disposal of property, plant and equipment	182.91	(3.51)
Gain on disposal of investments	(922.59)	(229.71)
Gain on fair value of investments	(33.46)	(1,251.97)
Dividend Income	(58.01)	(16.43)
Provision for Impairment & Doubtful Advances	505.60	-
Unrealised exchange (gain) / loss on foreign currency translations	80.96	37.86
Sundry Balances written off / (written back)	(9.08)	140.62
<b>Operating profit before working capital changes</b>	<b>10,834.63</b>	<b>6,136.94</b>
<b>Changes in Assets and Liabilities:</b>		
<b>Adjustments for (increase)/decrease in:</b>		
Inventories	(1,519.24)	1,360.00
Trade receivables	(329.65)	(3,175.02)
Loans and Advances	19.05	(51.47)
Other assets	(590.24)	(967.41)
Trade payables	(677.68)	727.53
Other current financial liabilities	268.70	179.45
<b>Cash generated from operations</b>	<b>8,005.57</b>	<b>4,210.03</b>
Direct taxes paid (net)	(1,765.35)	(1,108.22)
<b>Net cash generated from operating activities (A)</b>	<b>6,240.22</b>	<b>3,101.80</b>
<b>B Cash flows from investing activities</b>		
Bank balances other than Cash & Cash equivalents	878.21	333.24
Purchase of Property, Plant and Equipment	(2,055.12)	(932.20)
Purchase of Intangible Assets	(2.89)	(15.58)
Proceeds from disposals of property, plant and equipment	1.37	5.03
Purchase/Proceeds of investments	(8,200.17)	(5,409.81)
Advance for Purchase of investments	(15.00)	
Loans given	(1.10)	(41.15)
Interest received	320.49	418.39
Dividend Income on Current investments	58.01	16.43
<b>Net cash (used in) investing activities (B)</b>	<b>(9,016.20)</b>	<b>(5,625.65)</b>
<b>C Cash flows from financing activities</b>		
Proceeds from non current borrowings	(40.07)	2,451.46
Repayment of non current borrowings	(10.56)	(1,534.36)
Proceeds/(repayment) from current borrowings	3,922.22	2,131.20
Payments for the principal portion of lease liability	(133.18)	(72.66)
Payments for the interest portion of lease liability	(53.20)	(15.66)
Interest paid	(1,029.92)	(575.58)
<b>Net cash generated from financing activities (C)</b>	<b>2,655.30</b>	<b>2,384.41</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS [(A) + (B) + (C)]</b>	<b>(120.69)</b>	<b>(139.44)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		
Balances with banks in current accounts and deposit accounts	359.96	496.19
Effect of exchange rate changes on cash and cash equivalents	0.64	3.39
Cash on hand	8.32	8.78

## Consolidated Statement of cash flows for the year ended 31st March, 2025 (Contd.)

(Rs in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>CASH AND CASH EQUIVALENTS</b>	<b>368.92</b>	<b>508.36</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		
Balances with banks in current accounts and deposit accounts	239.64	359.95
Effect of exchange rate changes on cash and cash equivalents	0.33	0.64
Cash on hand	8.27	8.32
<b>CASH AND CASH EQUIVALENTS</b>	<b>248.24</b>	<b>368.91</b>
Supplemental Information		
Cash Transactions from Operating Activities:		
Spent towards Corporate Social Responsibility	53.15	5.00

## Explanatory notes to Statement of Cash Flows:

- The Statement of Cash Flows is prepared as per Ind AS 7 as notified by Ministry of Corporate Affairs.
- In Part-A of the Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C, figures in brackets indicate cash outflows.
- The net profit / loss arising due to conversion of current assets / current liabilities, receivable / payable in foreign currency is furnished under the head "Foreign Exchange Fluctuations".
- Changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes:

## Reconciliation of liabilities arising from financing activities

Particulars	As at 1st April 2024	Cash flow	Foreign Exchange movement/Non Cash Adjustments	As at 31st March 2025
Non - current borrowing (including current maturities of non current borrowing)	2,468.95	(168.95)	-	2,542.09
Current borrowing	11,036.63	3,709.59	(43.67)	14,702.55
	<b>13,505.57</b>	<b>3,540.65</b>	<b>(43.67)</b>	<b>17,244.64</b>

Particulars	As at 1st April 2023	Cash flow	Foreign Exchange movement/Non Cash Adjustments	As at 31st March 2024
Non - current borrowing (including current maturities of non current borrowing)	1,661.19	800.73	7.02	2,468.95
Current borrowing	8,901.89	2,134.73	-	11,036.63
	<b>10,563.09</b>	<b>2,935.47</b>	<b>7.02</b>	<b>13,505.57</b>

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For **C N K & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm's Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors

**SURESH AGASKAR**  
Partner  
Membership No. 110321

**KRISHNA M. JHUNJHUNWALA**  
Managing Director  
(DIN: 00097175)

**KANAV JHUNJHUNWALA**  
Whole time Director  
(DIN: 09507192)

**KAYVANNA SHAH**  
Chief Financial Officer

**KAPIL YADAV**  
Company Secretary

Place: Mumbai  
Date: April 25, 2025

Place: Mumbai  
Date: April 25, 2025

Consolidated Statement of changes in equity for the year ended 31st March, 2025

a. Equity Share Capital (note 21)

Particulars	(Rs in lakhs) Amount
Balance as at April 01, 2023	835.03
Changes in equity share capital during the year 2022-23	-
Balance as at March 31, 2024	835.03
Changes in equity share capital during the year 2023-24	-
Balance as at March 31, 2025	835.03

b. Other Equity (note 22)

Particulars	Reserves and surplus					Total attributable to Owners of the Company	Attributable to NCI	Total
	Capital reserve	Securities premium	General reserve	Foreign currency translation reserve	Foreign currency monetary item translation difference account			
As at April 01, 2023	183.46	4,529.00	8,274.38	93.25	(0.00)	38,656.52	25.59	38,682.09
Profit for the year 2023-24	-	-	-	-	-	3,291.20	(19.15)	3,272.05
Other comprehensive income for the year 2023-24 (net of tax)*	-	-	-	15.79	-	48.42	0.08	48.50
Addition/(Deletions) during the year	-	-	-	-	-	-	-	-
Amortisation during the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	15.79	-	3,339.62	(19.06)	3,320.55
Dividend	-	-	-	-	-	0.01	-	0.01
As at March 31, 2024	183.46	4,529.00	8,274.38	109.61	(0.00)	41,996.14	6.52	42,002.67
Profit for the year 2024-25	-	-	-	-	-	6,235.73	0.18	6,235.91
Other comprehensive income for the year 2024-25 (net of tax)*	-	-	-	(78.51)	-	(79.96)	0.16	(79.81)
Amortisation during the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(78.51)	-	6,155.77	0.34	6,156.11
Dividend	-	-	-	-	-	-	-	-
As at March 31, 2025	183.46	4,529.00	8,274.38	31.09	(0.00)	48,151.91	6.86	48,158.77

\* represents remeasurement of defined benefit plans

As per our attached report of even date

For **C N K & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm's Registration No.: 101961W/W-100036

**SURESH AGASKAR**  
Partner  
Membership No. 110321

**KRISHNA M. JHUNJHUNWALA**  
Managing Director  
(DIN: 00097175)

**KANAV JHUNJHUNWALA**  
Whole time Director  
(DIN: 09507192)

Place: Mumbai  
Date: April 25, 2025

**KAYVANNA SHAH**  
Chief Financial Officer  
Place: Mumbai  
Date: April 25, 2025

**KAPIL YADAV**  
Company Secretary

For and on behalf of the Board of Directors

Notes to Consolidated Financial Statements for the year ended 31st March, 2025

1. CORPORATE INFORMATION:

Sarla Performance Fibers Limited ('SPFL' or 'the Company') is a public limited Company incorporated and domiciled in India and has its registered office at Survey No. 59/1/4, Amil Piparia Industrial Estate, Silvassa - 396 230, U.T. of Dadra & Nagar Haveli, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) in India;

The Company and its subsidiaries (collectively the 'Group') is engaged primarily in manufacturing of polyester and nylon yarns. The Company has a global presence with key subsidiaries in United States of America (USA) and British Virgin Islands (BVI) that are engaged in the manufacture and/or sale of various types of polyester and nylon yarns.

The Group caters to both domestic and international markets. The Group has four plants, 2 at Silvassa, 1 at Dadra, Union territory of Dadra and Nagar haveli and 1 at Vapi, Gujarat in India.

2. BASIS OF COMPLIANCE, BASIS OF PREPARATION, CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION:

2.1. Basis of compliance:

The Consolidated Financial Statements (CFS) comply in all material aspects with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

2.2. Basis of preparation and presentation:

The CFS of the Group have been prepared under historical cost convention using the accrual method of accounting basis, except for certain financial instruments that are measured at fair values. The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle, para 66 and 69 of Ind AS 1 and other criteria as set out in the Division II of Schedule III to the Act.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

All amounts disclosed in the CFS and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

The CFS of the Group for the year ended 31st March, 2025 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 25th April, 2025.

2.3. Use of Judgements and Estimates:

The preparation of the CFS requires management to make estimates, assumptions and judgments that affect the reported amounts of revenue, expenses, assets, liabilities and accompanying disclosures.

Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities in future periods. The Group continually evaluates these estimates and assumptions based on the most recently available information.

In particular, information about significant areas of estimates and judgements in applying accounting policies have most significant effect on amounts recognised in the CFS are as below:

- Estimates of useful lives and residual value of property, plant and equipment and intangible assets;
- Measurement of defined benefit obligations;
- Measurement and likelihood of occurrence of provisions and contingencies;
- Measurement of Right of Use assets and Lease liabilities;
- Measurement of recoverable amounts of cash-generating units;
- Valuation of inventories;
- Provision for loss allowances;



- Fair value measurement of financial instruments;
- Recognition of deferred tax assets.

Revisions to accounting estimates are recognised prospectively.

#### 2.4. Basis of Consolidation:

The CFS comprise the financial statements of the Group, its subsidiaries and the Group's interest in joint ventures as at the reporting date.

##### 2.4.1 Subsidiaries:

Subsidiaries include all the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to variable returns through its involvement in the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date on which Group attains control and are deconsolidated from the date that control ceases to exist;

##### 2.4.2 Joint Venture:

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint venture are accounted for using the equity method of accounting;

##### 2.4.3 The CFS have been prepared on the following basis:

- The financial statements of the Group and its subsidiary companies have been consolidated on a line by- line basis by adding together of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions and resulting unrealised profit or losses, unless cost cannot be recovered, as per the applicable Accounting Standard in India. Accounting policies of the respective subsidiaries are aligned wherever necessary, so as to ensure consistency with the accounting policies that are adopted by the Group under Ind AS;
- The Financial Statements of the Subsidiary Companies used in preparation of the CFS are drawn up to the same reporting date as that of the Group. i.e. 31st March, 2025;
- The results of subsidiaries acquired or disposed of during the year are included in the CFS from the effective date of acquisition and up to the effective date of disposal, as appropriate;
- Refer note no. 50 of the consolidated financial statements for not consolidating the share of profit / loss of the joint ventures as per the 'equity method';
- CFS are presented, to the extent applicable, in accordance with the requirements of Schedule III of the 2013 Act as applicable to the Group's separate financial statements;
- Non-controlling interests in the net assets of the subsidiaries that are consolidated consists of the amount of equity attributable to non-controlling shareholders at the date of acquisition and subsequent addition of their share of changes in equity.

Profit or loss and each component of OCI are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

##### 2.4.4 The percentage of ownership interest of the Company in the Subsidiary companies and Joint Ventures as on 31st March, 2025 are as under:

Particulars	Country of Incorporation	Percentage of actual ownership interest as on	
		31st March, 2025	31st March, 2024
Subsidiaries			
Sarlaflex Inc	USA	100%	100%
Sarla Overseas Holding Limited	British Virgin Islands (BVI)	100%	100%
Joint Ventures*			
Savitex SA De C.V., Honduras	Honduras	40%	40%
MRK SA C.V., Honduras	Honduras	33.33%	33.33%
Sarla Tekstil Filament Sanayi Ticaret A.S.	Turkey	45%	45%

\*All the Joint Ventures are held by Sarla Overseas Holding Limited. (Refer note 49 of consolidated financial statements)

#### 2.5 Property, plant and equipment and Depreciation:

**2.5.1** Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any;

**2.5.2** The initial cost of an asset comprises its purchase price (including import duties and non-refundable taxes), any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, borrowing cost for qualifying assets (i.e. assets that necessarily take a substantial period of time to get ready for their intended use);

**2.5.3** Directly attributable costs includes cost of testing (net off proceeds from selling any items produced). Excess of net sale proceeds of items produced over the cost of testing, if any, is deducted directly from attributable costs of an item of property, plant, and equipment.

**2.5.4** Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group;

**2.5.5** Spare parts which meet the definition of property, plant and equipment are capitalised as property, plant and equipment in case the unit value of the spare part is above the threshold limit. In other cases, the spare part is inventorised on procurement and charged to Statement of profit and loss on consumption;

**2.5.6** Property, plant and equipment which are not ready for intended use as on date of Balance Sheet are disclosed as "Capital work-in-progress";

**2.5.7** An item of property, plant and equipment and any significant part initially recognised separately as part of property, plant and equipment is derecognised upon disposal; or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss when the asset is derecognised;

**2.5.8** The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates;

**2.5.9** Depreciation is provided on a pro-rata basis on the straight line method (after retaining the estimated residual value up to 5%) based on estimated useful life prescribed under Schedule II to the Act, except for assets costing Rs. 5,000/- or less are fully depreciated or fully written off in the year of purchase;

**2.5.10** Components of the main asset that are significant in value and have different useful lives as compared to the main asset are depreciated over their estimated useful life. Useful life of such components has been assessed based on historical experience and internal technical assessment except in respect of following useful lives of assets of a subsidiary:

Type of asset	Useful lives
Equipment	10 years
Buildings	39 years
Computers	5 years
Vehicles	5 years
Furniture and fixtures	7 years

**2.5.12** Depreciation on spare parts specific to an item of property, plant and equipment is based on life of the related property, plant and equipment. In other cases, the spare parts are depreciated over their estimated useful life based on the technical assessment;

**2.5.13** The Group had chosen the carrying value of Property, Plant and Equipment existing as per previous GAAP as on date of transition to Ind AS i.e. 1st April, 2016 as deemed cost.

#### 2.6 Intangible Assets and Amortisation:

**2.6.1** Intangible assets are recognised only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably;

**2.6.2** Intangible assets are carried at cost net of accumulated amortization and accumulated impairment losses, if any;

**2.6.3** An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses on de-recognition are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses);

**2.6.4** The estimated useful life is reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates;

**2.6.5** Intangible assets are not ready for intended use as on date of Balance Sheet are disclosed as "Intangible assets under development";

**2.6.6** The intangible assets with a finite useful life are amortised using straight line method over their estimated useful lives. The management's estimates of the useful lives for various class of Intangibles are as given below:

Asset	Useful life
Softwares	5 years

## 2.7 Leases:

The Group assesses whether a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether

- the contract involves the use of an identified asset;
- the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Group has the right to direct the use of the asset.

### 2.7.1 As a lessee

The right-of-use asset is a lessee's right to use an asset over the life of a lease. At the date of commencement of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases and leases of low value assets. For these, the Group recognises the lease payments as an operating expense.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

### 2.7.2 As a lessor

A lessor shall classify each of its leases as either an operating lease or a finance lease.

#### Finance leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Group shall recognise assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

#### Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Group shall recognise lease payments from operating leases as income on straight line basis over the term of relevant lessee.

## 2.8 Impairment of Non-financial Assets:

Non-financial assets other than inventories, deferred tax assets and non-current assets classified as held for sale are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of the asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets;

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## 2.9 Inventories:

**2.9.1** Inventories are valued at lower of cost and net realisable value. The cost of raw material is arrived on First-in-first-out basis;

**2.9.2** Cost of raw materials and stores and spares includes all charges in bringing the goods to their present location and condition. The aforesaid items are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss;

**2.9.3** Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

## 2.10 Fair Value measurement:

**2.10.1** The Group measures certain financial instruments at fair value at each reporting date;

**2.10.2** Certain accounting policies and disclosures require the measurement of fair values, for both financial and non- financial assets and liabilities;

**2.10.3** Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability also reflects its non-performance risk;

**2.10.4** The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out;

**2.10.5** While measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs)

**2.10.6** When quoted price in active market for an instrument is available, the Group measures the fair value of the instrument using that price. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis;

**2.10.7** If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation



technique incorporates all of the factors that market participants would take into account in pricing a transaction;

**2.10.8** The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Group assesses the evidence obtained from third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

## 2.11 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 2.11.1 Financial Assets:

#### I. Initial recognition and measurement:

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are recognised at fair value, except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are initially measured at the transaction price determined under Ind AS 115.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Financial assets are classified at the initial recognition as financial assets measured at fair value or as financial assets measured at amortised cost.

#### II. Subsequent measurement:

Financial assets are subsequently classified as measured at

- a) amortised cost
- b) fair value through profit and loss (FVTPL)
- c) fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets;

##### a) Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss;

##### b) Measured at FVOCI:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at FVOCI. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss;

For equity instruments, the Group may make an irrevocable election (on initial recognition) to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the Other Comprehensive Income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and loss, even on

sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit & Loss.

#### c) Measured at FVTPL:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

### III. De-recognition:

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset and the transfer qualifies for derecognition under Ind AS 109.

### IV. Impairment of Financial assets:

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets measured at amortised costs and debt instruments measured at FVOCI.

Loss allowance on receivables from customers are measured following the 'simplified approach' at an amount equal to lifetime ECL at each reporting date. In respect of other financial assets, the loss allowance is measured at 12 months ECL only if there is no significant deterioration in the credit risk since initial recognition of the asset or asset is determined to have a low credit risk at the reporting date.

### 2.11.2 Financial Liabilities:

#### I. Initial recognition and measurement:

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### II. Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at FVTPL are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### III. De-recognition:

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires;

### 2.11.3 Financial guarantees:

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of the debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the fair value initially recognised less cumulative amortisation;

### 2.11.4 Derivative financial instruments:

The Group uses derivative financial instruments to manage the exposure on account of fluctuation in interest rate and foreign exchange rates. Such derivative financial instruments are initially recognised at

fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value with the changes being recognised in the Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative;

#### 2.11.5 Embedded derivatives:

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the classification requirements contained in Ind AS 109 are applied to the entire hybrid contract.

Derivatives embedded in all other host contracts, including financial liabilities are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at FVTPL.

These embedded derivatives are measured at fair value with changes in fair value recognised in Statement of Profit and Loss, unless designated as effective hedging instruments.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows;

#### 2.11.6 Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### 2.11.7. Derivate Financial Instruments and Hedge Accounting

Derivative instruments such as forward currency contracts are used to hedge foreign currency risks, and are initially recognized at their fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. A hedge of foreign currency risk of a firm commitment is accounted for as a fair value hedge. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

Derivatives are only used for economic hedging purposes and not as speculative investments.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition as per Ind AS 109 . A financial liability (or a part of a financial liability) is derecognized from the company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### 2.12 Revenue Recognition:

#### 2.12.1 Sale of goods:

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those goods.

Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch / delivery of goods, based on contracts with the customers. Export sales are recognized on the issuance of Bill of Lading / Airway bill by the carrier. Revenue from sale of power from wind operated generators is accounted when the same is transmitted to and confirmed by the Electricity Board to whom the same is sold.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Revenue excludes taxes collected from customers on behalf of the government.

### Contract Balances

#### Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

#### Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

#### 2.12.2 Rendering of Services

Revenue is recognized from rendering of services when the performance obligation is satisfied and the services are rendered in accordance with the terms of customer contracts. Revenue is measured based on the transaction price, which is the consideration, as specified in the contract with the customer.

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered;

Revenue also excludes taxes collected from customers on behalf of government.

**2.12.3** Export incentives under various schemes notified by the Government have been recognised on the basis of applicable regulations, and when reasonable assurance to receive such revenue is established;

**2.12.4** Interest income is recognized using the effective interest rate (EIR) method;

**2.12.5** Dividend income on investments is recognised when the right to receive dividend is established;

**2.12.6** Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

### 2.13 Employee Benefits:

#### 2.13.1 Short-term employee benefits:

Short-term employee benefits (including leave) are recognized as an expense at an undiscounted amount in the Statement of Profit and Loss of the year in which the related services are rendered;

#### 2.13.2 Post-employment benefits:

The Group operates the following post – employment schemes:

- Defined contribution plans such as provident fund; and
- Defined benefit plans such as gratuity

#### Defined Contribution Plans:

Obligations for contributions to defined contribution plans such as provident fund are recognised as an expense in the Statement of Profit and Loss as the related service is rendered by the employee. The said benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

#### Defined Benefit Plans:

The Group's net obligation in respect of defined benefit plans such as gratuity is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of the economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.



The current service cost of the defined benefit plan, recognized in the Statement of Profit and Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit and Loss. The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This net interest is included in employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

#### 2.14 Borrowing costs:

**2.14.1** Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs;

**2.14.2** Borrowing costs that are attributable to the acquisition or construction of qualifying assets (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use) are capitalized as a part of the cost of such assets. All other borrowing costs are charged to the Statement of Profit and Loss;

**2.14.3** Investment Income earned on the temporary investment of funds of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

#### 2.15 Foreign Currency Transactions:

**2.15.1** The functional currency of the Group is Indian Rupees (Rs.), whereas functional currency of foreign subsidiaries is USD (\$). The presentation currency of the group is Indian Rupees (Rs.);

##### 2.15.2 Monetary items:

Transactions in foreign currencies are initially recorded at their respective exchange rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates prevailing on the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss either as profit or loss on foreign currency transaction and translation or as borrowing costs to the extent regarded as an adjustment to borrowing costs.

##### 2.15.3 Non – Monetary items:

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

##### 2.15.4 Foreign operations:

For the purpose of consolidation, those operations that have a functional currency different from the Group's presentation currency, income and expenses are translated at average rates and the assets and liabilities are stated at closing rate. The net impact of such translation are recognised in OCI and held in Foreign Currency Translation Reserve ('FCTR'), a component of Equity.

#### 2.16 Provisions and Contingent Liabilities:

**2.16.1** Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation;

**2.16.2** The expenses relating to a provision is presented in the Statement of Profit and Loss net of reimbursements, if any;

**2.16.3** If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost;

**2.16.4** Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability;

**2.16.5** Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

#### 2.17 Taxes on Income

##### 2.17.5 Current Tax

Income-tax Assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the end of reporting period.

Current Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity;

##### 2.17.6 Deferred tax

Deferred tax is provided using the Balance Sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred Tax items are recognised in correlation to the underlying transaction either in the Statement of Profit and Loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### 2.18 Segment reporting:

The Group identifies operating segments based on the dominant source, nature of risks and returns and the internal organisation. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the Managing Director (who is the Group's chief operating decision maker) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in conformity with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

#### 2.19 Earnings per share

**2.19.1** Basic earnings per share are calculated by dividing the profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period;

**2.19.2** For the purpose of calculating diluted earnings per share, the profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

## 2.20 Cash and Cash equivalents:

Cash and cash equivalents in the Balance Sheet include cash at bank, cash, cheque, draft on hand and demand deposits with an original maturity of less than three months, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, Cash and cash equivalents include cash at bank, cash, cheque and draft on hand. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

### 2.21 Cash Flows:

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.22 Dividend:

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the respective Group's Board of Directors.

### 3 Recent Pronouncements:

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

**Notes to Consolidated Financial Statements** for the year ended 31st March, 2025

4	a)	Property, Plant & Equipment	(Rs in lakhs)									
		Gross carrying amount	Freehold Land	Leasehold Land (Right of use asset)	Buildings	Buildings (Right of use asset)	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total
		Balance as at March 31, 2023	3,499.53	8.70	5,197.96	488.04	33,162.51	85.98	296.10	57.25	171.04	42,967.11
		Additions	-	-	78.75	1.33	789.44	18.30	-	8.40	3.41	899.64
		Deletions	-	-	-	(24.81)	(27.67)	-	-	-	-	(52.48)
		Exchange fluctuations	6.91	1.10	23.47	-	84.58	0.10	0.22	0.36	0.35	117.08
		Balance as at March 31, 2024	3,506.44	9.79	5,300.19	464.56	34,008.86	104.39	296.32	66.01	174.80	43,931.34
		Additions	-	-	6.01	786.02	1,640.01	22.08	13.02	9.61	13.21	2,489.97
		Deletions	-	-	-	-	(350.28)	-	(6.05)	-	-	(356.34)
		Exchange fluctuations	2.10	13.22	44.90	-	161.81	0.19	0.42	0.87	0.66	224.17
		Balance as at March 31, 2025	3,508.54	23.02	5,351.10	1,250.58	35,460.39	126.66	303.71	76.49	188.67	46,289.15
												-
		Accumulated Depreciation	Freehold Land	Leasehold Land (Right of use asset)	Buildings	Buildings (Right of use asset)	Plant & Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total
		Balance as at March 31, 2023	-	2.74	1,044.35	180.26	15,488.64	51.73	166.43	27.92	156.02	17,116.35
		Depreciation charge for the year	13.90	0.43	199.20	81.68	2,417.56	7.22	26.36	9.82	2.72	2,758.90
		Depreciation on deletion	-	-	-	-	(21.82)	-	-	-	-	(21.82)
		Exchange fluctuations	5.40	-	0.99	-	81.88	0.10	0.22	0.20	0.35	89.13
		Balance as at March 31, 2024	19.30	3.17	1,244.54	261.94	17,966.26	59.06	193.01	37.94	159.09	19,942.56
		Depreciation charge for the year	14.20	0.43	201.74	167.52	2,042.77	7.77	21.11	8.26	5.88	2,469.69
		Depreciation on deletion	-	-	-	-	(164.38)	-	(4.34)	-	-	(168.73)
		Exchange fluctuations	10.68	-	3.09	-	161.81	0.19	0.42	0.58	0.66	177.44
		Balance as at March 31, 2025	44.19	3.61	1,449.37	429.45	20,006.46	67.02	210.20	46.78	165.63	22,420.96
		Net carrying amount as at March 31, 2025	3,464.35	19.41	3,901.73	821.13	15,453.94	59.64	93.52	29.70	23.05	23,866.45
		Net carrying amount as at March 31, 2024	3,487.14	6.62	4,055.64	202.62	16,042.60	45.33	103.31	28.07	15.71	23,987.04

**Notes:**

(i) Charge has been created over property, plant and equipments of the company in respect of borrowings (refer note 23, 27 & 54(6))



**4 b) Title Deeds of all immovable properties not held in the name of Holding Company (other than properties where the Holding Company is the lessee and the lease agreement are duly executed in favour of the Holding Company).**

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying amount	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Property, Plant and Equipment	Freehold Land	3,028.83	Krishna Jhunhunwala and Neha Jhunhunwala	Yes	F.Y. 2016-17	Being agricultural land cannot be held in the name of the Company.
Property, Plant and Equipment	Freehold Land	69.33	Krishna Jhunhunwala and Neha Jhunhunwala	Yes	F.Y. 2022-23	The Company is in process of conversion of agricultural land to non-agricultural land.
Property, Plant and Equipment	Freehold Land	43.46	Krishna Jhunhunwala	Yes	F.Y. 2022-23	

**5 Intangible asset**

(Rs in lakhs)

Gross carrying amount (at cost)	Softwares	Total
Balance as at April 01, 2023	170.63	170.63
Additions	7.09	7.09
Deletions	-	-
Balance as at March 31, 2024	177.72	177.72
Additions	11.38	11.38
Deletions	-	-
Balance as at March 31, 2025	189.09	189.09
<b>Accumulated Amortisation</b>		
Balance as at April 01, 2023	95.70	95.70
Additions	30.31	30.31
Deletions	-	-
Balance as at March 31, 2024	126.01	126.01
Additions	32.47	32.47
Deletions	-	-
Balance as at March 31, 2025	158.48	158.48
Net carrying amount as at March 31, 2025	30.62	30.62
Net carrying amount as at March 31, 2024	51.71	51.71

**6 Intangible Assets under Development**

(Rs in lakhs)

Particulars	As at 31.03.2025	As at 31.03.2024
Intangible Assets under Development	-	8.49
<b>Total</b>	<b>-</b>	<b>8.49</b>

**(a) Intangible Assets under Development ageing schedule as on March 31, 2025**

(Rs in lakhs)

Intangible Assets under Development	Amount in Intangible Assets under development for a period of				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	-	-	-	-	-

**(b) Intangible Assets under Development ageing schedule as on March 31, 2024**

(Rs in lakhs)

Intangible Assets under Development	Amount in Intangible Assets under development for a period of				TOTAL
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in progress	8.49	-	-	-	8.49

**Note:**

Intangible assets under development completion schedule, whose completion is overdue or has exceeded its cost compared to its original plan: None (March 31, 2024: None)

**7 Investments accounted for using equity method**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Investments in Joint Ventures</b>		
<b>Unquoted</b>		
Savitex SA De C.V., Honduras	1,856.76	1,856.76
MRK SA C.V., Honduras	127.39	127.39
Sarla Tekstil Filament Sanayi Ticaret A.S.	74.97	74.97
Less: Provision for Diminution in value of investments	(2,059.12)	(2,059.12)
<b>Total</b>	<b>-</b>	<b>-</b>

**Note:**

Refer note 50 for details of interest in other entities.

**8 Non current financial assets - Other Investments**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Quoted</b>		
Investments in debentures at amortised cost	-	3,044.32
Investments in debentures at FVTPL	537.83	632.76
Investments in Treasury Bills and Government Securities at amortised cost	155.15	154.46
<b>Unquoted</b>		
Investments in units of alternative investment fund at FVTPL	1,269.72	74.68
Investments in units of Mutual fund at FVTPL	20,662.75	11,027.64
Investments in equity shares at FVTPL	999.99	-
<b>Total</b>	<b>23,625.44</b>	<b>14,933.85</b>
Aggregate amount of quoted investments - at cost	655.15	3,700.66
Aggregate amount of quoted investments - at market value	692.98	3,831.54
Aggregate amount of unquoted investments - at cost	21,337.15	10,157.30
Aggregate amount of unquoted investments - at Net Asset value/ Fair Value	22,932.46	11,102.31
Aggregate amount of impairment in the value of investments	-	-

**Note:**

- Units of mutual funds of Rs. 1,024.51 lakhs (as at 31st March, 2024: 924.19 lakhs) are pledged as margin money deposit with brokers.
- Units of mutual funds of Rs. 1,948.38 lakhs (as at 31st March, 2024: Nil) are pledged against rupee term loan.  
(Refer note no 23 (ii) (B))

**9 Non-current financial assets - Loans**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost</b>		
Other loans and advance	319.43	200.51
Less: Provision for Doubtful loans and advances	-	-
Loan to Staff	8.35	9.55
Allowance for Bad and Doubtful Advances	(319.43)	(200.51)
<b>Total</b>	<b>8.35</b>	<b>9.55</b>
<b>Sub-classification of loans</b>		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	8.35	9.55
Loans which have significant increase in credit risk	319.43	200.51
Loans - credit impaired	-	-
Provision for unrealisable advances	(319.43)	(200.51)
<b>Total</b>	<b>8.35</b>	<b>9.55</b>

**Note:**

- No loans are due from directors or other Officers of the Company either severally or jointly with any other person. Further, no loans are due from firms or private companies respectively in which any director is a partner, a director or a member.
- The Company has not given any loans or advances in nature of loans to key managerial persons (KMP), directors or promoters either severally or jointly with any other person

**10 Non-current financial assets - others**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost</b>		
<b>Unsecured, considered good</b>		
Fixed deposits with remaining maturity for more than 12 months	0.28	103.18
Interest Receivable	0.06	0.48
Security deposits	138.90	296.21
Less: Provision for Security Deposit	(56.31)	(57.10)
	82.59	239.11
<b>Total</b>	<b>82.93</b>	<b>342.77</b>

**Note:**

Fixed Deposits amounting to Rs. 0.20 lakhs (As at March 31, 2024 Rs. 103.10 lakhs) pledged as margin money deposit for facilities from Banks. (Refer note no. 27)

**11 Non current Tax Assets (Net)**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Taxes paid in advance (Net of Provision for tax)	44.32	44.32
<b>Total</b>	<b>44.32</b>	<b>44.32</b>

**12 Other Non-Current Assets**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Unsecured, considered good</b>		
Capital Advances	120.00	55.00
Less : Provision for Doubtful advances	(55.00)	(55.00)
	<b>65.00</b>	<b>-</b>
Deposits with government authorities	288.98	89.59
Prepaid Expenses	58.35	65.94
<b>Total</b>	<b>412.33</b>	<b>155.53</b>

**13 Inventories (at lower of cost and net realisable value)**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Raw Materials	2,660.16	1,733.33
Raw Materials - Stock in Transit	70.35	357.37
Work-In -Progress	3,023.93	2,601.31
Finished goods	2,504.54	2,036.91
Finished goods - Stock in Transit	507.45	382.02
Stores and Spares	275.45	309.90
Oil & lubricants	279.05	427.80
Fuel	13.70	8.32
Packing Materials	657.48	615.92
<b>Total</b>	<b>9,992.12</b>	<b>8,472.88</b>

**Note:**

- Inventories of Rs. 8,555.65 lakhs (as at March 31, 2024: Rs. 7,073.47 lakhs) are hypothecated against working capital facilities from banks. (refer note 23 & 27)
- There has been no write down of inventories during the year.



## 14 Investments

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Quoted		
Investment in Equity shares at FVTPL	4,848.25	3,356.28
Investments in debentures at FVTPL	-	290.78
Investments in Treasury Bills at amortised cost	86.00	822.56
<b>Total</b>	<b>4,934.25</b>	<b>4,469.62</b>
Aggregate amount of quoted investments - at cost	5,237.98	4,139.49
Aggregate amount of quoted investments - at market value	4,934.25	4,469.62
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

## 15 Trade Receivables

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
(a) Trade Receivables considered good - Secured	-	-
(b) Trade Receivables considered good - Unsecured	9,444.71	9,105.98
(c) Trade Receivables which have significant increase in credit risk	160.65	157.71
(d) Trade Receivables - credit impaired	-	-
Less: Allowance as per Expected credit loss model	(160.65)	(157.71)
<b>Total</b>	<b>9,444.71</b>	<b>9,105.98</b>

## Note:

- (i) Trade Receivables of Rs. 9,425.78 lakhs (as at March 31, 2024: Rs. 9,172.12 lakhs) are hypothecated as security for bank borrowings. (Refer note no. 27)
- (ii) No Trade receivables are due from directors or other Officers of the Company either severally or jointly with any other person. Further, no loans are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (iii) Movement in the expected credit loss allowance

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	(157.71)	(81.64)
(Provision)/Reversal during the year	(2.94)	(79.65)
Balance at the end of the year	(160.65)	(157.71)

## (i) Trade receivables ageing schedule

As at March 31, 2025								(Rs in lakhs)
Particulars	Outstanding for following periods from due date of payment						TOTAL	
	Not Due	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years		
(i) Undisputed Trade receivables – considered good	8,887.83	-	499.14	-	-	-	9,386.97	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	56.01	26.07	136.30	218.39	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	
Less: Impairment allowance for trade receivables - which have significant increase in credit risk	-	-	-	(12.18)	(12.17)	(136.30)	(160.65)	
<b>Total Current Trade Receivables</b>	<b>8,887.83</b>	<b>-</b>	<b>499.14</b>	<b>43.83</b>	<b>13.90</b>	<b>-</b>	<b>9,444.71</b>	

As at March 31, 2024		(Rs in lakhs)					
Particulars	Outstanding for following periods from due date of payment						TOTAL
	Not Due	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	8,364.90	-	369.76	-	-	-	8,734.66
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	37.57	376.34	115.13	529.04
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired							-
Less: Impairment allowance for trade receivables - which have significant increase in credit risk	-	-	-	(18.70)	(23.89)	(115.13)	(157.72)
Total Current Trade Receivables	8,364.90	-	369.76	18.87	352.45	-	9,105.98

There are no unbilled receivable as on 31-03-2025 and 31-03-2024

**16 Cash & cash equivalents**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost</b>		
Balances with Banks	239.97	360.59
Cash on Hand	8.27	8.32
<b>Total</b>	<b>248.24</b>	<b>368.91</b>

**17 Bank balances other than Cash & Cash equivalents**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Earmarked Balance with Bank:</b>		
Balance in unpaid dividend account	31.33	46.85
<b>At Amortised Cost</b>		
Fixed deposits with original maturity for less than 3 months	-	-
Fixed deposits with original maturity for more than 3 months but less than 12 months	3.96	763.76
<b>Total</b>	<b>35.30</b>	<b>810.61</b>

**Note:**

- (i) Fixed Deposits amounting to Rs.0.30 lakhs (As at March 31, 2024 Rs. 751.83 lakhs) pledged as margin money deposit for facilities from Banks. (Refer note no. 27)

**18 Loans**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Others</b>		
Loans to staff	14.81	15.66
Others	-	-
<b>Total</b>	<b>14.81</b>	<b>15.66</b>
<b>Sub-classification of loans</b>		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	14.81	15.66
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>14.81</b>	<b>15.66</b>

- (i) No loans are due from directors or other Officers of the Company either severally or jointly with any other person. Further, no loans are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) The Company has not given any loans or advances in nature of loans to key managerial persons (KMP), directors or promoters either severally or jointly with any other person.
- (iii) The Company has not given any short term loan to related party.

**19 Other financial assets**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>At Amortised Cost</b>		
Unsecured considered good		
Interest Receivable on fixed deposits	0.47	43.53
Other Receivables	1,197.90	430.03
<b>At FVTPL</b>		
Derivative financial assets:		
Forward Contracts	25.35	282.82
<b>Total</b>	<b>1,223.72</b>	<b>756.38</b>

**20 Other Current Assets**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Advances to Suppliers (For Raw Materials and expenses)	795.07	470.97
Less : Provision for doubtful advances	(104.00)	(104.00)
	<b>691.07</b>	<b>366.97</b>
Goods & Service Tax recoverable	492.87	981.67
Export incentives receivables	74.37	66.88
Prepaid Expenses	35.69	101.96
Other receivable	8.87	9.69
Less : Reversal of Other Receivable	-	-
<b>Total</b>	<b>1,302.87</b>	<b>1,527.17</b>

**Equity****21 Equity Share Capital**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Authorised</b>		
10,00,00,000 (As at March 31, 2024: 10,00,00,000) Equity Shares of Re. 1 each	1,000.00	1,000.00
<b>Issued, Subscribed and Paid up</b>		
8,35,03,000 (As at March 31, 2024: 8,35,03,000) Equity Shares of Re. 1 each	835.03	835.03
<b>Total</b>	<b>835.03</b>	<b>835.03</b>

**21.1 Reconciliation of number of equity shares :**

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Amount in lakhs	No. of Shares	Amount in lakhs
Opening Balance	8,35,03,000	835.03	8,35,03,000	835.03
Changes during the year	-	-	-	-
<b>Closing Balance</b>	<b>8,35,03,000</b>	<b>835.03</b>	<b>8,35,03,000</b>	<b>835.03</b>



**21.2 Shares held by shareholders each holding more than 5% of the shares**

Shareholders	As at March 31, 2025	As at March 31, 2024
<b>Hindustan Cotton Company - through its partners</b>		
No. of Shares	1,14,87,389	1,14,63,789
Percentage	13.76%	13.73%
<b>Satidham Industries Private Limited</b>		
No. of Shares	2,41,27,297	2,39,59,222
Percentage	28.89%	28.69%

**21.3 Rights, preferences and restrictions attached to Equity Shares**

The Company has only one class of equity shares having par value of Re. 1/- each (P.Y. Rs. 1/- each) holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**21.4** During the 5 years immediately preceding the balance sheet date, there were no equity shares allotted as fully paid up pursuant to contract without payment being received in cash, no bonus shares were issued and there was no buy-back of equity shares of the Company.

**21.5 Shares held by promoters at the end of the year are as follows:**

S. No	Promoter Name	As on 31.03.2025		As on 31.03.2024		% change during the year
		No of shares	% of total shares	No of shares	% of total shares	
1	Neha Krishna Jhunjunwala	4,000	0.00	4,000	0.00	-
2	Krishnakumar and sons HUF	3,25,000	0.39	3,25,000	0.39	-
3	Vrinda Krishna Jhunjunwala	8,80,252	1.05	8,80,252	1.05	-
4	Kanav K Jhunjunwala	6,47,000	0.77	6,47,000	0.77	-
5	Krishna Madhusudan Jhunjunwala	32,69,000	3.91	32,69,000	3.91	-
6	Madhusudan Jhunjunwala HUF	24,69,596	2.96	24,69,596	2.96	-
7	Sarladevi Madhusudan Jhunjunwala	38,94,000	4.66	38,94,000	4.66	-
8	Hindustan Cotton Company - Sarladevi Madhusudan Jhunjunwala (Partner)	1,14,87,389	13.76	1,14,63,789	13.73	0.03
9	Sarla Estate Developers Private Limited	1,45,537	0.17	1,45,537	0.17	-
10	Harmony Estates Private Limited	2,60,095	0.31	2,10,095	0.25	0.06
11	Satidham Industries Private Limited	2,41,27,297	28.89	2,39,59,222	28.69	0.20
	<b>Total</b>	<b>4,75,09,166</b>	<b>56.90</b>	<b>4,72,67,491</b>	<b>56.58</b>	<b>0.29</b>

**22 Other Equity**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Capital reserve	183.46	183.46
Securities premium reserve	4,529.00	4,529.00
General reserve	8,274.38	8,274.38
Foreign Currency Translation Reserve	31.09	109.62
Retained Earnings	35,133.99	28,899.70
<b>Total</b>	<b>48,151.91</b>	<b>41,996.15</b>

The movement in other Equity:

**22.1 Capital reserve**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	183.46	183.46
Movement during the year	-	-
<b>Balance as at end of the year</b>	<b>183.46</b>	<b>183.46</b>

Capital reserve represents forfeiture of application money received for share warrants on lapse of option due to non subscription.

**22.2 Securities premium reserve**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	4,529.00	4,529.00
Movement during the year	-	-
<b>Balance as at end of the year</b>	<b>4,529.00</b>	<b>4,529.00</b>

Securities premium reserve is generated by premium on issue of shares. The reserve is eligible for utilisation in accordance with the provisions of the Act.

**22.3 General reserve**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	8,274.38	8,274.38
Movement during the year	-	-
<b>Balance as at end of the year</b>	<b>8,274.38</b>	<b>8,274.38</b>

General reserve represents appropriation of retained earnings and are available for distribution to shareholders.

**22.4 Foreign Currency Translation Reserve**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	109.82	94.03
Adjustments	-	-
Movement during the year	(79.80)	15.79
<b>Balance as at end of the year</b>	<b>30.02</b>	<b>109.82</b>

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operation.

**22.5 Retained earnings**

Particulars	(Rs in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	28,899.68	25,575.85
Profit for the year	6,235.73	3,291.20
Re measurement of Net defined benefit plans (net of tax)	(1.45)	32.63
<b>Balance as at end of the year</b>	<b>35,133.96</b>	<b>28,899.68</b>

Retained earning represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.

**22.5 Dividend**

Particulars	(Rs in lakhs)	
	Year 2024-25	Year 2023-24
Dividend on equity shares paid during the year		
Final dividend for the F.Y. 2023-24 :Rs. Nil (previous year Rs. Nil) per equity share of Re. 1 each)	-	-
Less: Dividend waived by promoters	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Proposed Dividend:**

The Board of Directors of the holding company at its meeting held on 25th April, 2025 have recommended a payment of final dividend of Rs. 3/- (Previous year Rs. Nil) per equity share of face value of Re. 1 each for the financial year ended 31st March, 2025.

The above is subject to approval at the ensuing Annual General Meeting of the Holding Company and hence is not recognised as a liability.

**23 Non -Current borrowings**

Particulars	(Rs in lakhs)	
	As at March 31, 2025	As at March 31, 2024
<b>Term Loans:</b>		
Secured Loans - From Bank		
Indusind Bank (Rupee term loan) (refer note (i) & (ii)(I))	1,533.33	2,300.00
<b>Unsecured Loans - From others</b>		
Other loans and advances	242.09	158.38
Less : Reversal of Unsecured Loans	-	-
<b>Total</b>	<b>1,775.42</b>	<b>2,458.38</b>

**Note:**

i) **Term loans were applied for the purpose for which the loans were obtained.**

(ii) Nature of security	Terms of repayment
(A) The following charges were applicable till 17th December, 2024	
(I) (a) First Charge on Immovable Property, plant and equipment situated at Slivassa plant and all that piece and parcel of Industrial non-agricultural land survey no.64/2, 64/3, 64/4 61/1, 61/2, 63/5, 63/7 and 62/5 situated at Village Amli, Silvassa, Union Territory of Dadra and Nagar Haveli for term loan.	Term loan of INR 2,300 Lakhs is repayable in 36 equated monthly installment of INR 63.89 lakhs each till March 2028. Repayment starting from April 2025.
(b) Second Pari-Pasu Charge on Immovable Property, plant and equipment situated at Slivassa plant and all that piece and parcel of Industrial non-agricultural land survey no.64/2, 64/3, 64/4 61/1, 61/2, 63/5, 63/7 and 62/5 situated at Village Amli, Silvassa, Union Territory of Dadra and Nagar Haveli Haveli for working capital limits	
(B) The following charges are applicable with effect from 18th December, 2024	
(a) Exclusive charge on units of Mutual funds (Refer Note no: 8 (II))	

**24 Non-current lease liabilities**

Particulars	(Rs in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Lease Liabilities	679.97	115.40
<b>Total</b>	<b>679.97</b>	<b>115.40</b>

Refer note 48 for Disclosure in respect of leases.

**25 Non-current provisions**

Particulars	(Rs in lakhs)	
	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
Gratuity - In respect of Employees (Refer note 42)	92.50	75.85
Gratuity - In respect of directors	20.00	20.00
<b>Total</b>	<b>112.50</b>	<b>95.85</b>

**26 Tax Expense And Deferred Tax Liabilities (Net)****(a) Amounts recognized in profit and loss**

Particulars	(Rs in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Current tax expense (A)</b>		
In respect of current year	2,091.09	1,138.50
	<b>2,091.09</b>	<b>1,138.50</b>
<b>Deferred tax expense (B)</b>		
In respect of current year	(458.00)	79.78
	<b>(458.00)</b>	<b>79.78</b>
<b>Adjustment for earlier years (C)</b>	16.86	17.92
<b>Tax expense recognized in the income statement (A+B+C)</b>	<b>1,649.96</b>	<b>1,236.20</b>

**(b) Amounts recognized in other comprehensive income**

Particulars	(Rs in lakhs)	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	0.49	(10.97)
	<b>0.49</b>	<b>(10.97)</b>

**(c) Reconciliation of effective tax rate**

Particulars	(Rs in lakhs)			
	For the year ended 31st March, 2025		For the year ended 31st March, 2024	
	%	Amounts	%	Amounts
<b>Profit before tax</b>		7,885.87		4,508.25
Tax using the Company's domestic tax rate	25.17%	1,984.72	25.17%	1,134.64
<b>Tax effect of:</b>				
Disallowable expenses	0.50%	39.73	1.20%	54.17
Tax exemptions	-0.19%	(14.67)	-0.19%	(8.56)
Tax Impact of Overseas Subsidiaries (net)	-2.56%	(202.08)	2.52%	113.52
Tax paid at lower rate	-1.90%	(149.65)	-2.39%	(107.67)
Others	-0.32%	(24.96)	0.71%	32.18
	<b>20.71%</b>	<b>1,633.09</b>	<b>27.02%</b>	<b>1,218.28</b>
Adjustment for earlier years	0.21%	16.86	0.40%	17.92
<b>Effective income tax rate</b>	<b>20.92%</b>	<b>1,649.96</b>	<b>27.42%</b>	<b>1,236.20</b>



## (d) Movement in deferred tax

Particulars	Net balance April 01, 2024	Recognized in profit or loss	Recognized in OCI	Recognized directly in equity	As at March 31, 2025		
					Net	Deferred tax asset	Deferred tax liability
<b>Deferred tax (Asset)/Liabilities</b>							
Property, plant and equipment	(2,110.33)	155.43	-	-	(1,954.90)	-	(1,954.90)
Fair valuation of Mutual Funds and Equity shares	(240.57)	65.03	-	-	(175.54)	-	(175.54)
Employee benefits	12.88	18.84	0.49	-	32.20	32.20	-
Fair valuation of derivatives	(71.18)	64.81	-	-	(6.38)	-	(6.38)
Fair valuation of Security Deposits	3.19	7.58	-	-	10.77	10.77	-
MSME Disallowance	-	17.62	-	-	17.62	17.62	-
Allowance for expected credit losses	63.54	1.43	-	-	64.97	64.97	-
Allowance for Loans & Advances		127.26			127.26	127.26	
<b>Tax assets (Liabilities)</b>	<b>(2,342.47)</b>	<b>458.00</b>	<b>0.49</b>	<b>-</b>	<b>(1,883.99)</b>	<b>252.82</b>	<b>(2,136.81)</b>

Particulars	Net balance April 01, 2023	Recognized in profit or loss	Recognized in OCI	Recognized directly in equity	As at March 31, 2024		
					Net	Deferred tax asset	Deferred tax liability
<b>Deferred tax Asset / (Liabilities)</b>							
Property, plant and equipment	(2,198.28)	87.95	-	-	(2,110.33)	-	(2,110.33)
Fair valuation of Mutual Funds and Equity shares	(7.77)	(232.80)	-	-	(240.57)	-	(240.57)
Employee benefits	17.11	10.24	(14.47)	-	12.88	12.88	-
Fair valuation of investments (Preference Shares)	-	-	-	-	-	-	-
Fair valuation of derivatives	(103.55)	32.37	-	-	(71.18)	-	(71.18)
Fair valuation of Security Deposits	3.72	(0.53)	-	-	3.19	3.19	-
Allowance for expected credit losses	38.12	25.42	-	-	63.54	63.54	-
<b>Tax assets (Liabilities)</b>	<b>(2,250.65)</b>	<b>(77.35)</b>	<b>(14.47)</b>	<b>-</b>	<b>(2,342.47)</b>	<b>79.61</b>	<b>(2,422.08)</b>

## 27 Borrowings

Particulars	(Rs in lakhs)	
	As at March 31, 2025	As at March 31, 2024
From Bank		
Secured		
Packing Credit Loan	12,333.79	10,109.73
(note no. (b) (i),(ii) & (iii))		
Foreign Bill Discounting	255.60	926.90
(refer note no.(b) (i), (ii) & (iii))		
Buyers Credit	2,113.15	-
(refer note no.(b) (i), (ii) & (iii))		
Current maturities of long term borrowings	766.67	10.56
<b>Total</b>	<b>15,469.21</b>	<b>11,047.19</b>

## Note:

- a) Bank returns/stock statements filed by the Holding Company with its bankers are in materially agreement with books of accounts except in respect of quarter ended March 31, 2025 where such quarterly return/statement is yet to be filed.
- b) Term of repayment and securities for current borrowings
- All the working capital facilities are secured against:
- First pari passu charge on entire current assets of the Holding Company, excluding those kept, stored, lying loose at Unit No. 1, both present and future.
  - Second pari passu charge on the entire Movable property, plant and equipment, excluding the movable property, plant and equipment situated or kept at unit no. 1, of the Holding Company. (save and except for vehicles).
  - Second pari passu charge on immovable fixed assets of the Holding Company situated at silvassa plant unit II bearing survey no. 64/2, 64/3, 64/4, 61/1, 61/2, 63/5, 63/7, 62/5 and all the piece and parcel of Industrial non-agricultural land bearing Survey No. 62/5, admeasuring 2700 sq.mtrs., situated at village - Amli, Silvassa Union Territory of Dadra & Nagar Haveli.
  - Fixed Deposits amounting to Rs.0.50 lakhs (As at March 31, 2024 Rs. 854.93 lakhs) pledged as margin money deposit for facilities from Banks. (Refer note no. 10 and 17 )

## 28 Trade payables

Particulars	(Rs in lakhs)	
	As at March 31, 2025	As at March 31, 2024
<b>Trade payables:</b>		
Total outstanding dues of Micro and Medium enterprises	143.95	492.21
Total outstanding dues of creditors other than Micro and Medium enterprises	3,078.84	3,408.26
<b>Total</b>	<b>3,222.79</b>	<b>3,900.47</b>

## Trade payables ageing details

(Rs in lakhs)

As at March 31, 2025						
Particulars	Outstanding for following periods from due date of payment					TOTAL
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	143.95	-	-	-	-	143.95
(ii) Others	2,737.79	149.42	46.42	76.89	-	3,010.52
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	68.09	-	-	68.09
<b>Total Trade payables</b>	<b>2,881.74</b>	<b>149.42</b>	<b>114.51</b>	<b>76.89</b>	<b>-</b>	<b>3,222.56</b>

(Rs in lakhs)

As at March 31, 2024						
Particulars	Outstanding for following periods from due date of payment					TOTAL
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	492.21	-	-	-	-	492.21
(ii) Others	2,839.00	496.21	15.79	57.26	-	3,408.26
(iii) Disputed Dues - MSME	-	-	-	-	-	-
(iv) Disputed Dues Others	-	-	-	-	-	-
<b>Total Trade payables</b>	<b>3,331.21</b>	<b>496.21</b>	<b>15.79</b>	<b>57.26</b>	<b>-</b>	<b>3,900.47</b>

## 29 Other financial liabilities

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Creditors for Capital goods	353.15	16.34
Interest Accrued	10.30	19.89
Unpaid dividend (refer note (i) & (ii))	31.33	46.85
Salaries , wages & other payable	738.03	638.88
Book overdraft with banks	773.08	723.78
Derivative financial liabilities:		
Future and Options Trading	83.47	29.13
<b>Total</b>	<b>1,989.37</b>	<b>1,474.87</b>

## Note:

- (i) There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Act, as at the year end.
- (ii) Amount of Rs. 14.52 lakhs (P.Y. 2023-24: 13.31 lakhs) is transferred to Investor Education and Protection Fund during the year.

## 30 Other current liabilities

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Revenue received in advance</b>		
Advance from customers	218.47	273.64
<b>Others</b>		
Statutory dues	108.25	110.11
Other liabilities	120.19	166.00
Less : Reversal of Other Liabilities	-	-
<b>Total</b>	<b>446.91</b>	<b>549.75</b>

## 31 Provisions

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Provision for employee benefits</b>		
Gratuity (Refer note 42)	24.18	21.19
Leave Encashment	27.08	31.21
Bonus	25.00	20.00
<b>Total</b>	<b>76.26</b>	<b>72.40</b>

## 32 Current tax liabilities (Net)

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for Tax (Net of Taxes paid in advance)	467.86	90.75
<b>Total</b>	<b>467.86</b>	<b>90.75</b>



**33 Revenue From Operations**

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>(a) Sale of Products/ Services:</b>		
- Local Sales	18,129.88	15,792.07
- Export Sales	22,793.54	21,071.50
- Sale of Wind Power	525.90	569.07
Sale of Products/ Services	41,449.32	37,432.63
<b>(b) Other Operating Revenues:</b>		
- Export incentives	810.70	746.15
- Sale of Scrap	106.64	38.34
- Commission Income	343.43	109.00
Other Operating Revenues	1,260.77	893.49
<b>Revenue from operations</b>	<b>42,710.09</b>	<b>38,326.12</b>

Disclosures as per Ind AS 115

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>1a) Details of revenue from contracts with customers recognised by the Group, net of indirect taxes in its statement of Profit and loss.</b>		
<b>Revenue from contracts with customers</b>		
(Transferred at point in time)		
Sale of yarns	40,923.42	36,863.56
Sale of wind power	525.90	569.07
	<b>41,449.32</b>	<b>37,432.33</b>
Sale of Scrap	106.64	38.34
<b>Total revenue from contracts with customers</b>	<b>41,555.97</b>	<b>37,470.67</b>
<b>b) Reconciliation of the revenue from contracts with customers with revenue from operations</b>		
Total revenue from contracts with customers	41,555.97	37,470.67
Commission Income	343.43	109.00
Export Incentives	810.70	746.15
<b>Total Revenue from operations (Refer note 33)</b>	<b>42,710.09</b>	<b>38,326.12</b>

**2 Disaggregate Revenue**

The table below presents disaggregated revenues of the Group from contracts with customers by geography/ offerings/ contract-type/market. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of its revenues and cash flows are affected by industry, market and other economic factors.

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Total revenue from contracts with customers</b>		
Yarn		
India	18,236.53	15,830.41
Export (Including deemed export)	22,793.54	21,071.50
Wind Power		
India	525.90	569.07
<b>Total</b>	<b>41,555.97</b>	<b>37,470.67</b>

**3 Reconciliation between revenue with customers and contracted price:**

Revenue as per contracted price	41,827.91	37,849.88
Less: Adjustments		
Sales return	(248.85)	(246.59)
Discounts/ Rebates	(23.08)	(132.62)
<b>Revenue from contracts with Customers</b>	<b>41,555.97</b>	<b>37,470.67</b>

**4 Sales by performance obligations**

Upon Shipment	41,030.07	36,901.90
Upon Delivery	-	-
Upon Transmission into grid	525.90	569.07
<b>Total</b>	<b>41,555.97</b>	<b>37,470.67</b>

**5 Contract balances**

The following table provides information about receivables from contracts with customers:

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>(a) Trade receivables</b>		
Allowance as per Expected credit loss model	(160.65)	(157.71)
<b>Total</b>	<b>9,444.71</b>	<b>9,105.98</b>
<b>Trade receivables are non-interest bearing and are generally on terms of up to 180 days.</b>		
<b>(b) Contract liability</b>		
<b>Advances from Customers</b>	<b>218.47</b>	<b>273.64</b>

The Contract liability outstanding at the beginning of the year has been recognised as revenue during the year ended March 31, 2024.

**34 Other Income**

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>a) Interest income</b>		
Instruments measured at amortised costs		
- on fixed deposits with bank	12.22	77.74
- on debenture	140.19	269.93
- on treasury bills	30.28	56.00
- on alternative investment fund	51.01	0.15
- others	86.78	14.57
<b>b) Dividend Income</b>		
- Dividend Income from Current investments at FVTPL	58.01	16.43
<b>c) Other non-operating Income</b>		
- Gain on disposal of property, plant and equipment	-	3.51
- Gain on sale of investments valued at FVTPL	922.59	229.71
- Gain on Future and option trading	859.81	85.52
- Fair Valuation gain on Investments	33.46	1,251.97
- Gain on Currency Derivative	142.22	-
- Gain or loss on foreign currency transaction and translation (net)	63.27	19.26
- Miscellaneous Income	119.08	69.15
<b>Total</b>	<b>2,518.92</b>	<b>2,093.94</b>

**35 Cost of material consumed**

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year	1,733.33	2,226.87
Purchases	21,009.11	18,060.45
Inventories at the end of the year	(2,660.16)	(1,733.33)
<b>Total</b>	<b>20,082.27</b>	<b>18,553.99</b>

**36 Changes in inventories of finished goods (including stock in trade) and work in progress**

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Closing stock		
Work-in-progress	3,023.93	2,601.31
Finished goods	3,011.99	2,418.93
<b>Subtotal (A)</b>	<b>6,035.93</b>	<b>5,020.24</b>
Opening stock		
Work-in-progress	2,601.31	3,546.35
Finished goods	2,418.93	2,911.92
<b>Subtotal (B)</b>	<b>5,020.24</b>	<b>6,458.28</b>
<b>Net (Increase)/decrease in Inventories [(B)-(A)]</b>	<b>(1,015.68)</b>	<b>1,438.03</b>

**37 Employee benefits expense**

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	1,887.53	1,755.51
Contribution to provident and other funds	199.06	177.90
Staff welfare expenses	41.94	20.17
<b>Total</b>	<b>2,128.54</b>	<b>1,953.58</b>

**38 Finance costs**

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>At Amortised Cost</b>		
<b>Interest expenses</b>		
Interest on borrowings	809.36	559.92
Exchanges differences regarded as an adjustment to borrowing costs	43.67	-
Interest expense on lease liability	53.20	15.66
Interest on GST	123.69	
Interest on Income tax and TDS	34.50	5.42
<b>Total</b>	<b>1,064.42</b>	<b>581.00</b>

**39 Depreciation and amortisation expenses**

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation on property, plant and equipment	2,302.17	2,677.23
Depreciation charged for right of use assets - building	167.52	81.68
Amortisation of intangible assets	32.47	30.31
<b>Total</b>	<b>2,502.16</b>	<b>2,789.21</b>



**40 Other expenses**

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Consumption of stores and spare parts	460.76	380.76
Power and fuel	2,352.15	2,229.88
Consumption of packing materials	1,505.88	1,395.44
Consumption of oils and chemicals	331.81	364.32
Labour charges	3,182.86	2,633.15
Repairs and Maintenance:		
- Building	30.99	61.55
- Machinery	192.77	394.26
- Others	246.32	158.34
Water, waste and effluent treatment charges	100.31	104.47
Rent	118.37	69.32
Insurance	79.35	76.09
Director sitting fees	8.70	5.20
Legal, professional and consultancy charges	458.39	372.27
Rates and Taxes	19.26	99.67
Corporate Social Responsibility Expenses	91.92	100.62
GST Expenses	205.15	-
Loss on sale of Property, Plant and Equipment	182.91	-
Gain or loss on foreign currency transaction and translation (net)	0.17	0.52
Miscellaneous expenses	454.93	403.13
Postage and Courier	37.55	54.37
Security Charges	156.42	141.11
Bank Charges	86.25	73.83
Travelling Expenses	106.54	77.32
Provision for Doubtful Loans and Advances	-	-
Payment to auditor:		
- Audit fees	10.25	9.00
- For other services (Limited Review and certifications)	11.85	10.15
- Out of pocket expenses	0.25	0.30
Freight and forwarding charges	1,394.83	932.08
Commission on sales	754.27	340.12
Provision for doubtful receivables/advances	0.24	108.72
<b>Total</b>	<b>12,581.43</b>	<b>10,596.00</b>

**41 Earnings per share (EPS)**

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit for the year	6,235.73	3,291.19
Weighted average number of Equity shares for basic earning per share	8,35,03,000	8,35,03,000
Nominal value of each share (in Rs.)	1	1
Basic and Diluted earning per share	7.47	3.94

**42 Employee benefits****A Defined Contribution plans:**

The company contributes to the Government managed provident and pension fund for all qualifying employees.

Contribution to provident fund of Rs. 140.20 lakhs (March 31, 2024: Rs. 108.07 lakhs) is recognised as an expense and included in "Contribution to provident and other funds" in Statement of Profit and Loss.

**B Defined benefit plans:**

The Company has defined benefit plan for payment of gratuity to all qualifying employees. It is governed by the Payment of Gratuity Act, 1972. Under this Act, an employee who has completed five years of service is entitled to the specified benefits provided which depends on the employee's length of service and salary at retirement age. The Company's defined benefit plan is funded with Life Insurance Corporation (LIC).

There are no other post retirement benefits provided by the Company.

The present value of the defined benefit obligation, the related current service cost and past service cost, were measured using the projected unit credit method.

**Reconciliation in present value of obligations (PVO)**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
PVO at the beginning of the year	154.95	218.65
Interest cost	11.14	15.98
Current service cost	21.46	23.05
Benefits paid	(10.67)	(56.84)
Past Service cost	-	-
Actuarial (Gains)/Losses	1.96	(45.89)
<b>PVO at the end of the year</b>	<b>178.84</b>	

**Reconciliation of Fair value of plan assets:**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Fair value of plan assets at the beginning of the year	57.91	109.07
Adjustments:		
Return on plan assets excl. interest income	0.02	(2.29)
Interest income	4.16	7.97
Contributions by the employer	-	-
Benefits paid	0.06	(56.84)
<b>Fair value of plan assets at the end of the year</b>	<b>62.16</b>	<b>57.91</b>

**Net Liabilities / (Assets) recognised in the balance sheet:**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
PVO of the defined benefit obligation at the end of period	178.84	154.95
Fair value of planned assets at end of year	(62.16)	(57.91)
<b>Net liabilities / (Assets) recognised in the balance sheet</b>	<b>116.68</b>	<b>97.04</b>

## Amount recognised in Statement of Profit and Loss

	(Rs in lakhs)	
Particulars	2024-2025	2023-2024
Current service cost	21.46	23.05
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest	6.98	8.01
<b>Net charge to the statement of profit or loss</b>	<b>28.44</b>	<b>31.06</b>

## Amount recognised in Other Comprehensive Income (OCI)

	(Rs in lakhs)	
Particulars	2024-2025	2023-2024
Actuarial (Gain)/Loss recognised for the period	1.96	(45.89)
Return on plan assets excluding net interest	(0.02)	2.29
<b>Recognised in OCI for the year</b>	<b>1.94</b>	<b>(43.60)</b>

## Expected Payout

	(Rs in lakhs)	
Year	2024-2025	2023-2024
Expected Outflow in 1st Year	53.86	46.22
Expected Outflow in 2nd Year	30.95	25.71
Expected Outflow in 3rd Year	30.66	23.70
Expected Outflow in 4th Year	19.36	25.37
Expected Outflow in 5th Year	15.34	15.08
Expected Outflow in 6th to 10th Year	51.81	43.64

The weighted average duration of the defined benefit plan obligations at the end of reporting period is 3.49 years

## Major category of plan assets as a % of total plan

The plan assets are being managed by LIC. No further details are made available by the fund manager. (LIC)

## Sensitivity analysis

Significant actuarial assumptions for the determination of defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

	(Rs in lakhs)	
Particulars	As at March 31, 2025	As at March 31, 2024
Impact on present value of defined benefit obligation:		
If discount rate is increased by 0.5%	(2.84)	(2.47)
If discount rate is decreased by 0.5%	2.95	2.56
If salary escalation rate is increased by 0.5%	2.92	2.54
If salary escalation rate is decreased by 0.5%	(2.83)	(2.47)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

## Principal Actuarial Assumptions

	(Rs in lakhs)	
Particulars	As at March 31, 2025	As at March 31, 2024
Discount Rate	6.55%	7.19%
Expected rate of return on plan assets	6.55%	7.19%
Expected rate of salary increase	7.00%	7.00%
Employee attrition rate	20.00%	20.00%
Mortality	Indian Assured Lives (2012-14)	Indian Assured Lives (2012-14)

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

These plans typically expose the Company to actuarial risks such as interest rate risk and salary risk.

- (a) Interest risk: a decrease in the bond interest rate will increase the plan liability.
- (b) Salary risk: the present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, a variation in the expected rate of salary increase of the plan participants will change the plan liability.

## C Other short term employee benefits

## Short term leave

The expenses towards compensated absences (annual and short term leave) for the year ended March 31, 2025 of Rs. 37.66 lakhs (March 31, 2024: Rs. 37.33 lakhs), which is included in the 'Employee benefits expense' in the Statement of Profit and Loss.

## 43 Related party disclosures

## 1 Relationships

## (a) Joint Ventures of Subsidiary (Refer note 50)

Savitex SA De C.V., Honduras  
MRK SA De C.V., Honduras  
Sarla Textstill Filament Sanayi Ticaret A.S.

## (b) Entities controlled by Key Managerial Personnel

Satidham Industries Private Limited  
Hindustan Cotton Company  
Harmony Estates Pvt Ltd  
Sarla Twisters Private Limited  
Sarla Estate Developers Pvt Ltd

## (c) Entities over which Key Managerial Personnel are able to exercise significant influence

Shri Narayani Seva Sansthan  
Shivchandrai Jhunjhunwala Charitable Trust  
Snow White Properties Private Limited



**(d) Directors & Key Managerial Personnel****(i) Executive Director**

Krishna Jhunjhunwala - Chairman &amp; Managing Director

Kanav Jhunjhunwala - Director

Neha Jhunjhunwala - Director

**(ii) Non Executive Directors**

Shreya Desai - Independent and Non Executive Director (till September 30, 2024)

Parantap Dave - Independent and Non Executive Director (till August 08, 2024)

Paulo Manuel Castro - Independent and Non Executive Director

Bharat Kishore Jhamvar - Independent and Non Executive Director (From August 10, 2023)

Sachin Shashikant Abhiyankar - Independent and Non Executive Director (From August 10, 2023)

**(iii) Key Managerial Personnel**

Mukesh Deopura - Chief Financial officer (Till March 26, 2024)

Mahendra Sheth - Chief Financial officer and Company Secretary (Till November 01, 2021)

Kayvanna Shah - Chief Financial Officer (From June 24, 2024)

Neha Somani - Company Secretary (Till September 22, 2023)

Radhika Sharma - Company Secretary (From November 04, 2023 till September 30, 2024)

Meena Jain - Company Secretary (From December 10, 2024 till March 31, 2025)

**(g) Relatives of Key Managerial Personnel**

Chanda Deopura - Relative of Chief Financial officer (Till March 26, 2024)

Vrinda Jhunjhunwala - Relative of Chairman and Managing Director

Sarladevi Jhunjhunwala - Relative of Chairman &amp; Managing Director and Promoter

Krishnakumar and Sons HUF - Relative of Chairman &amp; Managing Director

Madhusudan Jhunjhunwala &amp; Sons HUF - Relative of Chairman &amp; Managing Director and Promoter

**2 Details of transactions with above related parties**

Nature of Transaction	Entities over which Key Managerial Personnel are able to exercise significant influence		Key Managerial Personnel / Directors		Relatives of Key Managerial Personnel	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
	(Rs. In lakhs)					
<b>(a) Remuneration (including Retirement Benefits)</b>						
Krishna Jhunjhunwala	-	-	180.00	180.00	-	-
Kanav Jhunjhunwala	-	-	19.08	19.08	-	-
Neha Jhunjhunwala	-	-	18.00	18.00	-	-
Kayvanna Shah	-	-	43.60	-	-	-
Mukesh Deopura	-	-	-	36.00	-	-
Neha Somani	-	-	-	7.39	-	-
Chanda Deopura	-	-	-	-	-	21.60
Vrinda Jhunjhunwala	-	-	-	-	6.00	6.00
Radhika Sharma	-	-	7.74	6.45	-	-
Meena Jain	-	-	1.48	-	-	-
<b>(b) Sitting Fees</b>						
Shreya Desai	-	-	1.20	2.00	-	-
Parantap Dave	-	-	1.80	2.00	-	-
Bharat Kishore Jhamvar	-	-	3.00	0.60	-	-
Sachin Shashikant Abhiyankar	-	-	2.70	0.60	-	-

(Rs. In lakhs)

Nature of Transaction	Entities over which Key Managerial Personnel are able to exercise significant influence		Key Managerial Personnel / Directors		Relatives of Key Managerial Personnel	
	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024	Year ended March 31, 2025	Year ended March 31, 2024
(c) <b>CSR expenditure</b>						
Shivchandrai Jhunijhunwala Charitable Trust	40.00	5.00	-	-	-	-
(d) <b>Rent Paid</b>						
Krishna Jhunijhunwala	-	-	21.60	21.60	-	-
Madhusudan Jhunijhunwala & Sons HUF	-	-	-	-	21.60	21.60
Hindustan Cotton Co.	13.50	13.50	-	-	-	-
(e) <b>Security Deposit</b>						
Krishna Jhunijhunwala	-	-	-	-	-	-
Madhusudan Jhunijhunwala & Sons HUF	-	-	-	-	-	-
Hindustan Cotton Co.	-	36.00	-	-	-	-

**Key management personnel compensation**

(Rs. In lakhs)

Particulars	2024-2025	2023-2024
Short-term employee benefits	269.90	266.92
Post-employment benefits**	-	-
Others (including sitting fees to non-executive directors)	8.70	5.20

\*\* As the liabilities for gratuity is provided on actuarial basis for the Company as a whole, the amounts pertaining to the directors and KMP are not included.

**Notes:**

- (a) The transactions with related parties are made in the normal course of business and on the terms equivalent to those that prevails in the arm's length transactions.
- (b) Amounts outstanding are unsecured and will be settled in cash or receipts of goods and services.

**44 Products from which reportable segments derive their revenues**

Information reported to the chief operating decision maker (CODM) for the purpose of resources allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Segments have been identified and reported taking into account the nature of products, the integration of manufacturing processes, the organization structure and the internal financial reporting systems.

In accordance with paragraph 4 of notified Ind AS 108 "Operating segments" the Group has disclosed segment information only on the basis of the consolidated financial statements.

The Group is predominantly involved into activity of manufacturing and processing of synthetic yarn which mainly have similar risk and nature. The Group has also diversified its activities into Wind Power Generation. Accordingly, the Group's business segment falls under two segments:

- Manufacturing of Yarn
- Generation of Wind Power

**Segment revenue and results**

The following is an analysis of the Group's revenue and results from operations by reportable segment

(Rs in lakhs)

Segment	Segment revenue	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Yarn	42,184.19	37,757.06
Generation of Wind Power	651.02	707.06
	<b>42,835.22</b>	<b>38,464.11</b>
Elimination of Intersegment revenues	(125.12)	(137.99)
Unallocated	-	-
	<b>42,710.09</b>	<b>38,326.12</b>

(Rs in lakhs)

Segment	Segment Results	
	For the year ended March 31, 2025	For the year ended March 31, 2024
Yarn	8,335.04	4,486.04
Generation of Wind Power	19.02	(101.90)
	<b>8,354.06</b>	<b>4,384.14</b>
Finance costs	(1,064.42)	(581.00)
Other expenses	(1,922.69)	(1,388.84)
Other income	2,518.92	2,093.94
Profit before tax	7,885.87	4,508.24
Current Tax	(2,107.95)	(1,156.42)
Deferred Tax	458.00	(79.78)
Profit after tax	6,235.91	3,272.05

**Notes:**

Segment profit represents the profit before tax earned by each segment without allocation of finance cost, other expenses, as well as other income. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.



## Segment assets and liabilities

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
<b>Segment assets</b>		
Yarn	41,502.31	39,426.44
Generation of Wind Power	5,124.82	5,375.64
<b>Total segment assets</b>	<b>46,627.13</b>	<b>44,802.08</b>
Unallocated	28,639.31	20,258.40
<b>Consolidated Total assets</b>	<b>75,266.44</b>	<b>65,060.48</b>
<b>Segment liabilities</b>		
Yarn	8,993.74	8,501.72
Generation of Wind Power	155.79	153.25
<b>Total segment liabilities</b>	<b>9,149.53</b>	<b>8,654.97</b>
Unallocated	17,123.11	13,567.80
<b>Consolidated Total liabilities</b>	<b>26,272.64</b>	<b>22,222.77</b>

## Other segment information

(Rs in lakhs)				
Particulars	Depreciation and amortisation		Capital expenditure	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Yarn	2,130.92	2,423.95	2,018.48	904.01
Generation of Wind Power	371.24	365.26	341.99	-
<b>Total</b>	<b>2,502.16</b>	<b>2,789.21</b>	<b>2,360.47</b>	<b>904.01</b>

## Revenue from major products

(Rs in lakhs)		
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Yarn	42,184.19	37,757.06
Generation of Wind Power	525.90	569.07
<b>Total</b>	<b>42,710.09</b>	<b>38,326.12</b>

## Geographical information

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets\* by location of assets are detailed below:

(Rs in lakhs)				
Particulars	Revenue from external customers		Non current assets*	
	For the year ended March 31, 2025	For the year ended March 31, 2024	As at March 31, 2025	As at March 31, 2024
India	42,132.62	38,011.02	22,571.54	22,444.57
U.S.A.	-	-	1,766.56	1,782.49
Other countries	577.48	315.10	15.61	20.03
<b>Total</b>	<b>42,710.09</b>	<b>38,326.12</b>	<b>24,353.71</b>	<b>24,247.09</b>

\* Non-current assets exclude those relating to financial assets and deferred tax assets.

## Information about major customers

Only one customer contributed 10% or more to the Group's revenue for the year ended March 31, 2025 and March 31, 2024 in case of Yarn business

## 45.1 Contingent liabilities not provided for:

Claims against the company not acknowledged as debt:

- Claim against Company not acknowledged as debt, comprises of excise duty & Custom duty disputed by company relating to issue of applicability of duty and classification of goods aggregating to Rs.963.16 lakhs (As at March 31, 2023: Rs. 963.16 lakhs).
- The Differential CST liability in respect of Non Collection of C Forms of Rs. 42.12 lakhs (As at March 31, 2023: Rs. 42.12 lakhs).
- Goods and Service Tax (GST) demand for Rs 643.51 lakhs pertaining to the GST refund availed on exports on payment of IGST in EOU unit for FY 2018-19 to 2021-22 (As at March 31, 2024: Rs 643.51 lakhs). The matter is sub-judiciary with the Commissioner of CGST & Central Excise, Appeals. The company has deposited Rs. 117.00 Lakhs (As at March 31, 2024: Rs 58.50 Lakhs) against the demand under protest.
- Goods and Service Tax (GST) demand for Rs 13.54 lakhs pertaining to the Input tax credit availed on input services from various suppliers for FY 2017-18 to 2022-23 (As at March 31, 2024: Rs Nil). The matter is sub-judiciary with the Commissioner of CGST & Central Excise. The company has deposited Rs. 1.35 Lakhs (As at March 31, 2024: Rs Nil) against the demand under protest.

## 45.2 Capital Commitments

(Rs. In lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
For capital expenditures (net of advances of Rs. 105.00 lakhs (As at March 31, 2024: Rs. 55.00 lakhs))	120.00	127.28
For Investments in Alternative Investment Funds (net of advances of Rs. 15.00 lakhs (As at March 31, 2024: Rs. NIL))	2,132.09	525.00

## 46 Financial instruments

## A Capital Management:

The Group manages its capital structure with a view to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings as detailed in notes 23 & 27) and total equity of the Group.

The Group's management reviews the capital structure of the Group on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital.

The gearing ratio at the end of the reporting period was as follows:

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Non-current borrowings	1,775.42	2,458.38
Current borrowings (including current maturities of non-current borrowings)	15,469.21	11,047.19
<b>Total Debt</b>	<b>17,244.64</b>	<b>13,505.57</b>
Equity	48,993.80	42,837.70
<b>Net debt to equity ratio</b>	<b>0.35</b>	<b>0.32</b>

For the purpose of computing debt to equity ratio, equity includes Equity Share Capital, Other Equity including Non controlling Interest and Debt includes Long term borrowings, short term borrowings and current maturities of long term borrowings.

**B Financial Instruments-Accounting Classifications and Fair value measurements (Ind AS 107)****i) Classification of Financial Assets and Liabilities:**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Financial assets</b>		
<b>At Amortised cost</b>		
Investments in Debentures	-	3,044.32
Investments in Treasury Bill	86.00	822.56
Trade receivables	9,444.71	9,105.98
Cash and cash equivalents	248.24	368.91
Bank balances other than above	35.30	810.61
Loans	23.15	25.20
Other financial assets	1,436.45	970.79
<b>At Fair value through Profit and Loss</b>		
Investments in equity shares	5,848.24	3,356.28
Derivative contracts	25.35	282.82
Investments in Debentures	537.83	923.54
Investments in Mutual Funds	20,662.75	11,027.64
Investments in Alternative Investments Funds	1,269.72	74.68
<b>Total</b>	<b>39,617.74</b>	<b>30,813.32</b>
<b>Financial liabilities</b>		
<b>At Amortised cost</b>		
Borrowings	17,244.64	13,505.57
Lease Liabilities	828.28	190.65
Trade payables	3,222.79	3,900.47
Other Financial liabilities	1,905.90	1,445.74
<b>At Fair value through Profit and Loss</b>		
Derivative contracts - Future and Options Trading	83.47	29.13
<b>Total</b>	<b>23,285.08</b>	<b>19,071.57</b>

**ii) Fair Value Measurements (Ind AS 113):**

The fair values of the Financial Assets and Liabilities are included at the amount, at which instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments based on the input that is significant to the fair value measurement as a whole:

Level 1 :	This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of all Equity Shares which are traded on the stock exchanges, is valued using the closing price at the reporting date.
Level 2:	The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
Level 3:	If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(Rs in lakhs)

Particulars	Fair Values	
	As at March 31, 2025	As at March 31, 2024
<b>Financial Assets at Fair Value through Profit and Loss</b>		
Investments in quoted equity shares (Level 1)	4,848.25	3,356.28
Derivative contracts (Level 2)	25.35	282.82
Investments in debentures (Level 2)	537.83	923.54
Investments in Mutual Funds (Level 2)	20,662.75	11,027.64
Investments in alternative investments funds (Level 3)	1,269.72	74.68
Investments in unquoted equity shares (Level 3)	999.99	-
<b>Total</b>	<b>28,343.89</b>	<b>15,664.96</b>

The management assessed that cash and bank balances, trade receivables, loans, trade payables, borrowings (cash credit, foreign currency loans, working capital loans) and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

During the reporting period ending March 31, 2025 and March 31, 2024, there was no transfer between level 1 and level 2 fair value measurement.

**Key Inputs for Level 1 and 2 Fair valuation Technique:**

1. Mutual Funds : Based on Net Asset Value of the Scheme (Level 2)
2. Derivative (forward) contracts : The fair value is determined using quoted forward exchange rates at the reporting date. (Level 2)
3. Debentures: Based on comparable instruments (Level 2)
4. Listed Equity Investments: Quoted Bid Price on Stock Exchange (Level 1)

The following table sets out the fair value of derivatives held by the Company as at the end of each reporting period:

Particulars	Fair Values			
	As at March 31, 2025		As at March 31, 2024	
	Assets	Liabilities	Assets	Liabilities
a) Foreign currency forward and option	25.35	-	282.82	-
b) Stock Options	-	83.47	-	29.13
c) Interest rate swaps and collars	-	-	-	-
Classified as:				
Non-Current	-	-	-	-
Current	25.35	-	282.82	-

As at the end of the reporting period total notional amount of outstanding foreign currency contracts that the Company has committed to is as below:

Particulars	Notional Values			
	As at March 31, 2025		As at March 31, 2024	
	Assets	Liabilities	Assets	Liabilities
a) Foreign currency forward and option	676.73	-	3,050.49	-
b) Stock Options	-	70.12	-	39.36
c) Interest rate swaps and collars	-	-	-	-



**47 Financial risk management objectives (Ind AS 107)**

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The key risks and mitigating actions are also placed before the Audit Committee of the Group.

The Group has exposure to the following risks arising from financial instruments:

- A) Credit risk;
- B) Liquidity risk; and
- C) Market risk

**A Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises primarily from financial assets such as trade receivables, investments in mutual funds, preference shares, debentures, derivative financial instruments, other balances with banks, loans and other receivables.

**Trade and other receivables**

Customer credit is managed by each business unit subject to the Group's established policies, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 0 to 180 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Group does not hold collateral as security. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

The Group measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

The following table provides information about the exposure to credit risk and Expected Credit Loss Allowance for trade and other receivables:

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Not due		
up to 180 days	8,900.52	8,364.90
181-365 days	260.58	369.76
Above 365 days	444.26	413.91
<b>Total</b>	<b>9,605.36</b>	<b>9,148.28</b>

**Movement in provisions of doubtful debts**

(Rs in lakhs)		
Particulars	As at March 31, 2025	As at March 31, 2024
Opening provision	157.71	81.64
Additional provision made	2.94	76.07
Reinstatement of provision	-	-
<b>Closing provision</b>	<b>160.65</b>	<b>157.71</b>

**Other financial assets**

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in Equity Shares, debentures, treasury bills, government securities, mutual funds, alternative investments funds and derivative contracts. The Group has diversified portfolio of investment with various number of counter parties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the Management of the Group.

**B Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk is managed by Group through effective fund management. The Group's principal sources of liquidity are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Group believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The following are the remaining contractual maturities of financial liabilities at the reporting date. Amounts disclosed are the contractual un-discounted cash flows.

**Maturity analysis of significant financial liabilities**

Particulars	As at March 31, 2025			As at March 31, 2024		
	Carrying amount	Contractual cash flows		Carrying amount	Contractual cash flows	
		Upto 1 year	More than 1 year		Upto 1 year	More than 1 year
<b>Financial liabilities</b>						
Borrowings (including Current Maturities of Long-Term Debts)	17,244.64	15,469.21	1,775.42	13,505.57	11,047.19	2,458.38
Trade and other payables	3,222.79	3,222.79	-	3,900.47	3,900.47	-
Other financial liabilities	1,989.37	1,989.37	-	1,474.87	1,474.87	-
Lease Liabilities	828.28	148.32	679.97	190.65	75.25	115.40
<b>Total</b>	<b>23,285.08</b>	<b>20,829.69</b>	<b>2,455.39</b>	<b>19,071.57</b>	<b>16,497.78</b>	<b>2,573.78</b>

**C Market risk**

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and price risk.

**I Currency Risk**

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Group is Indian Rupee. Group's exposure is mainly denominated in U.S. dollars (USD). The USD exchange rate has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Group has put in place a Financial Risk Management Policy to Identify the most effective and efficient ways of managing the currency risks. The Group uses derivative instruments (mainly foreign exchange forward contracts) to mitigate the risk of changes in foreign currency exchange rate.

The Group does not use derivative financial instruments for trading or speculative purposes.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities are as below:

(Rs in lakhs)

Particulars	As at March 31, 2025			As at March 31, 2024		
	USD	GBP	EURO	USD	GBP	EURO
<b>Financial assets</b>						
Cash and cash equivalents	93.40	-	0.00	82.89	-	-
Trade receivables	2,974.94	359.66	1,178.61	4,252.73	378.74	1,252.21
Loans	-	-	-	213.74	-	-
Less: Foreign currency forward exchange contracts	(171.16)	-	(784.76)	-	-	(3,050.49)
<b>Net exposure for assets</b>	<b>2,897.18</b>	<b>359.66</b>	<b>393.85</b>	<b>4,549.36</b>	<b>378.74</b>	<b>(1,798.28)</b>
<b>Financial liabilities</b>						
Foreign Currency Loans	-	-	-	-	-	-
Short term borrowings	-	-	-	-	-	-
Trade and other payables	2,203.69	-	2.79	2,312.90	-	2.73
Less: Foreign currency forward exchange contracts	-	-	-	-	-	-
<b>Net exposure for liabilities</b>	<b>2,203.69</b>	<b>-</b>	<b>2.79</b>	<b>2,312.90</b>	<b>-</b>	<b>2.73</b>
<b>Net exposure (Assets - Liabilities)</b>	<b>693.48</b>	<b>359.66</b>	<b>391.06</b>	<b>2,236.47</b>	<b>378.74</b>	<b>(1,801.01)</b>

**Sensitivity analysis**

The following table details the Group's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. This is mainly attributable to the net exposure outstanding on receivables or payables in the Group at the end of the reporting period. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rate. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Group's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

**Impact on profit or loss**

(Rs in lakhs)

Movement in currency Particulars	Increase in Exchange rate by 5%		Decrease in Exchange rate by 5%	
	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
USD	34.67	(33.58)	(34.67)	33.58
GBP	17.98	22.04	(17.98)	(22.04)
EURO	19.55	(148.22)	(19.55)	148.22

**II Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates. The Group's exposure to the risk due to changes in interest rates relates primarily to the Group's short-term and long term borrowings with floating interest rates. The Group constantly monitors the credit markets and revisits its financing strategies to achieve an optimal maturity profile and financing cost.

The Group's investments in term deposits(i.e. certificates of deposits) with banks, investments in preference shares, mutual funds and debentures are at fixed interest rate and therefore do not expose the Group to significant interest rate risk.

**Interest Rate Exposure:**

(Rs in lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Term loans - long term</b>		
Floating Rate Borrowings	-	-
Fixed Rate Borrowings	2,300.00	2,310.56
Non Interest bearing	242.09	158.38
Short term borrowings	14,702.55	11,036.63
<b>Total</b>	<b>17,244.64</b>	<b>13,505.57</b>

**Interest rate sensitivities for floating rate borrowings :**

(Rs in lakhs)

Movement in rate	Increase in Exchange rate by 0.25%		Decrease in Exchange rate by 0.25%	
Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Short term borrowings	36.76	27.59	(36.76)	(27.59)

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

**III Price Risk**

The Company has deployed its surplus fund into various financial instruments including units of mutual fund, bond, debentures etc. The Company is exposed to price risk on such investments, which arises on account of interest rate, liquidity and credit quality of underlying securities.

**48 Leases****I Disclosure in respect of operating lease (as Lessee):****(a) Additions to right of use assets during the reporting year ended March 31, 2025 and its carrying value as on that date**

(Rs in lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Addition of right-of-use assets that do not meet the definition of investment property</b>		
Lease hold Land and Buildings	786.02	1.33
<b>Total</b>	<b>786.02</b>	<b>1.33</b>
Depreciation charged during the current year		
Lease hold Land and Buildings	167.52	81.68
<b>Total</b>	<b>167.52</b>	<b>81.68</b>
Carrying value of Right-of-use assets		
Lease hold Land and Buildings	821.13	202.62
<b>Total</b>	<b>821.13</b>	<b>202.62</b>

**(b) Movement in Lease liabilities for the year ended:**

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	190.64	288.45
Additions	824.01	(9.49)
Payment of Lease liabilities	(186.38)	(88.32)
<b>Total Lease liabilities</b>	<b>828.27</b>	<b>190.64</b>



## (c) Maturity Analysis of Lease liabilities

Maturity analysis for Leasehold Land and Buildings	As at March 31, 2025	As at March 31, 2024
Less than one year	164.39	58.60
One to five years	581.82	59.64
More than five years	188.74	1.75
Total undiscounted Lease liabilities for the year ended	934.95	119.99
Lease liabilities included in the statement of financial position		
Current	148.32	75.25
Non-current	679.97	115.40
<b>Total Lease Liabilities</b>	<b>828.28</b>	<b>190.65</b>

## (d) Amounts recognised in the statement of profit or loss

Particulars	As at March 31, 2025	As at March 31, 2024
Depreciation	167.52	81.68
Interest on lease liabilities (included in finance cost)	53.20	15.66
The expense relating to short-term leases accounted for applying paragraph 6. This expense need not include the expense relating to leases with a lease term of one month or less	-	-
The expense relating to leases of low-value assets accounted for applying paragraph 6. This expense shall not include the expense relating to short-term leases of low-value assets included in paragraph 53(c)	-	-
The expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Income from subleasing right-of-use assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-
<b>Total Amount recognised in the Statement of profit or loss</b>	<b>220.71</b>	<b>97.33</b>

## (e) Amount recognised in the statement of cash flows

Particulars	As at March 31, 2025	As at March 31, 2024
Total cash outflow for leases (excluding short-term leases, leases of low-value assets)	186.38	88.32

## 49 Disclosures as required under schedule iii to the Companies Act 2013 with respect to Consolidated Financial Statements

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>								
Sarla Performance Fibers Limited	105.78%	51,828	79.93%	4,984	1.79%	(1)	80.96%	4,983
<b>Subsidiaries</b>								
<b>Foreign</b>								
Sarlaflex Inc.	-9.93%	(4,866)	11.60%	724	208.34%	(169)	9.01%	555
Sarla Overseas Holding Limited	0.13%	66	1.45%	91	-0.48%	0	1.48%	91
Intercompany Elimination	4.00%	1,960	7.01%	437	-109.45%	89	8.55%	526
Non - Controlling Interest in subsidiaries	0.01%	7	0.00%	0	-0.19%	0	0.01%	0

## 50 Entities not consolidated

Sarla Overseas Holdings Limited(SOHL) has commercial disputes with its JV partners Savitex S.A. De C.V. & MRK S.A. De C.V., resulting into the matter being referred to the appropriate judicial authority in Honduras. The matter being subjudice, the financial performance of both the JV's are not taken in to consideration while preparing the Consolidated Financial statements. Also Financial statements of Sarla Tekstil have also not been considered on account of non receipt of the same.

51 In F.Y. 2020-21, the subsidiary (SOHL) had made impairment provision for its loans and advances due to which its net worth has become negative. Looking to business prospects and actual profits for the year, financial statements of SOHL have been prepared based on 'going concern' basis.

52 The subsidiary (Sarlaflex, Inc.) has suspended its manufacturing operations since December 2017. The management is monitoring the situation on a continuous basis and is confident that there would no need for an impairment at this stage. Accordingly, the financial statements of the subsidiary have been prepared based on 'going concern' assumption.

## 53 Events after the reporting period

No adjusting or significant non - adjusting events have occurred between the reporting date (March 31, 2025) and the report release date (April 25, 2025)

## 54 Other disclosures

- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
  - The Group is not declared as wilful defaulter by any bank or financial Institution or other lender.
  - There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
  - The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
  - The Group have not traded or invested in Crypto currency or Virtual Currency during the year.
  - The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period except few charges, for which the company is in process of satisfying charge against which payment has been made.
  - The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
    - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
  - The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
9. The Group has complied with the requirement in respect of number of layers prescribed under Section 2(87) of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rule, 2017.

55 Relationship with Struck off Companies

(Rs. In Lakhs)

Sr. No.	Name of struck off Company	Nature of transactions with struck off Company	Transaction during the year ended March 31, 2024	Balance outstanding as on March 31, 2024	Transaction during the year ended March 31, 2023	Balance outstanding as on March 31, 2023	Relationship with the Struck off company
1	DeSimran Cartons Pvt Ltd	Advance paid towards purchase of Property	--	55.00	--	55.00	Seller
		Security Deposit against Lease of property	0.79	56.31	--	57.10	Lessor
2	Blue Blends (India) Limited	Sale of yarn	--	104.00	--	160.00	Customer

Note- The Holding Company has initiated legal proceedings against both the above Companies for claiming the outstanding amount and the same in sub-judiced. The balances whether recoverable will be decided on the basis of Hon'ble Court's judgement.

56 For the Financial Year 2024-25, the holding company has paid Rs.359.85 lakhs inclusive of interest and penalty towards the labilities arising form disallowance of input tax credit pursuant to an audit conducted by GST authorities from FY 2018-19to FY 2022-23.

This amount has been recognized in the statement of Profit and Loss under the head "Other Expenses" and "Finance Cost".

57 Figures for previous year have been regrouped, wherever necessary

As per our attached report of even date

For **C N K & ASSOCIATES LLP**  
Chartered Accountants  
ICAI Firm's Registration No.: 101961W/W-100036

For and on behalf of the Board of Directors

**SURESH AGASKAR**  
Partner  
Membership No. 110321

**KRISHNA M. JHUNJHUNWALA**  
Managing Director  
(DIN: 00097175)

**KANAV JHUNJHUNWALA**  
Whole time Director  
(DIN: 09507192)

**KAYVANNA SHAH**  
Chief Financial Officer

**KAPIL YADAV**  
Company Secretary

Place: Mumbai  
Date: April 25, 2025

Place: Mumbai  
Date: April 25, 2025

**SARLA PERFORMANCE FIBERS LIMITED**

[CIN: L31909DN1993PLC000056]

Registered Office: Survey No. 59/1/4, Amlti Piparia Industrial Estate, Silvassa, Union Territory of Dadra & Nagar Haveli - 396230, India

Tel: 0260 - 3290467, Fax: 0260 - 2631356

Email: investors@sarlafibers.com | Website: www.sarlafibers.com

**NOTICE OF THE THIRTY-SECOND ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the **THIRTY-SECOND (32nd) ANNUAL GENERAL MEETING (AGM)** of the Members of **SARLA PERFORMANCE FIBERS LIMITED** will be held on Wednesday, June 25, 2025, at 11:00 A.M. (IST) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM), in compliance with the applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and relevant circulars issued by the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI), to transact the following business:

**ORDINARY BUSINESS**

**1. ADOPTION OF THE AUDITED FINANCIAL STATEMENTS TOGETHER WITH THE REPORTS OF THE BOARD AND AUDITORS.**

To receive, consider, and adopt:

- (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025, together with the Reports of the Board of Directors and Auditors thereon.
- (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2025, together with the Report of Auditors thereon.

**2. DECLARATION OF FINAL DIVIDEND**

To declare a final dividend of ₹3.00 per equity share of face value ₹1.00 each for the financial year ended March 31, 2025.

**3. RE-APPOINTMENT OF DIRECTOR RETIRING BY ROTATION**

To re-appoint Ms. Neha Jhunjunwala (DIN: 07144529), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers herself for re-appointment.

**SPECIAL BUSINESS**

**4. TO CONSIDER AND APPROVE CHANGE IN DESIGNATION AND REVISION IN REMUNERATION OF MR. KANAV JHUNJHUNWALA (DIN: 09507192)**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 2(51), 196, 197, 198, 203, and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), read with Schedule V of the said Act, and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to such other approvals as may be necessary, approval of the shareholders be and is hereby accorded for the change in designation of Mr. Kanav Jhunjunwala (DIN: 09507192) from 'Executive Director' to 'Whole-Time Executive Director' of the Company, not liable to retire by rotation, for a period of five years with effect from April 25, 2025.

**RESOLVED FURTHER THAT** approval be and is hereby accorded for the revision in remuneration payable to Mr. Kanav Jhunjunwala for a period of three years commencing April 1, 2025, and ending March 31, 2028, as under:

**Revised Monthly Remuneration Structure:**

Component	Amount (₹ per month)
Basic Salary	1,60,000
Supplementary Allowance	2,19,000
House Rent Allowance	80,000
<b>Total</b>	<b>4,59,000</b>

In addition, Mr. Jhunjunwala shall be entitled to annual leave encashment of ₹1,12,000 in accordance with the Company's policies.

**RESOLVED FURTHER THAT** the revised remuneration, inclusive of salary, allowances, perquisites, benefits, and performance-linked incentives, shall be within the overall ceiling limits prescribed under Sections 196 and 197 of the Companies Act, 2013, read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.



**RESOLVED FURTHER THAT** in the event of absence or inadequacy of profits in any financial year during the currency of his tenure, the above remuneration may be paid as minimum remuneration, in accordance with the provisions of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors and the Nomination and Remuneration Committee be and are hereby severally authorised to review, revise, modify, or alter from time to time the remuneration payable to Mr. Kanav Jhunjhunwala (DIN: 09507192), including salary, allowances, perquisites, and performance-linked incentives, in accordance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Schedule V, and the Articles of Association of the Company, and subject to such approvals as may be required.

**RESOLVED FURTHER THAT** Mr. Kanav Jhunjhunwala is not disqualified from being appointed as a Whole-Time Director in terms of Section 164 of the Companies Act, 2013, and satisfies all other applicable conditions prescribed under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for such appointment.

**RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters, and things as may be necessary or desirable in connection with the implementation of this resolution, including filing requisite forms with the Registrar of Companies, making appropriate disclosures to the stock exchanges, and complying with all applicable legal and regulatory requirements.”

**5. RATIFICATION OF COST AUDITOR'S REMUNERATION FOR FINANCIAL YEAR 2025-26.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**RESOLVED THAT**, pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of ₹95,000/- (Rupees Ninety-Five Thousand only) plus applicable taxes and

reimbursement of out-of-pocket expenses, payable to M/s. Kasina & Associates, Cost Accountants (Firm Registration No. 104088), who were appointed by the Board of Directors at their meeting held on April 25, 2025, as Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2026.

**RESOLVED FURTHER THAT** the Board of Directors and/or Key Managerial Personnel of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this resolution.”

**6. APPOINTMENT OF SECRETARIAL AUDITOR FOR FINANCIAL YEAR 2025-26 TO 2029-30.**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory modifications or amendments thereto for the time being in force, approval of the shareholders be and is hereby accorded to re-appoint CS Swati Gupta (Membership No. F5766, COP No. 12245), Practicing Company Secretary, as the Secretarial Auditor of the Company to conduct the Secretarial Audit and furnish the Secretarial Audit Report for the financial years commencing from 2025-26 to 2029-30, at a remuneration to be mutually agreed upon between the Board of Directors and the Secretarial Auditor.

**RESOLVED FURTHER THAT** approval be and is hereby accorded to appoint CS Swati Gupta, Practicing Company Secretary, to also carry out and submit the following reports:

- ❑ The Annual Secretarial Compliance Report, in accordance with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
- ❑ The Reconciliation of Share Capital Audit Report, in accordance with Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018.

**RESOLVED FURTHER THAT** the Board of Directors, any Director, the Chief Financial Officer, and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters, and things

and to sign and execute all such documents, forms, and returns as may be necessary to give effect to the above resolution.”

By order of the Board of Directors  
**For Sarla Performance Fibers Limited**

**Kapil Raj Yadav**

(Company Secretary & Compliance Officer)

Place: Mumbai

Date: April 25, 2025

**Registered Office:**

Survey No. 59/1/4,

Amli Piparia Industrial Estate, Silvassa,

U.T. of Dadra & Nagar Haveli - 396230

Tel: 0260-3290467, Fax: 0260-2631356

Email: investors@sarlafibers.com

Website: www.sarlafibers.com

**Notes:**

**I. GENERAL INSTRUCTIONS:**

1. Pursuant to General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, Circular No. 02/2022 dated May 5, 2022, Circular No. 10/2022 dated December 28, 2022, 09/2023 dated 25th September 2023, 09/2024 dated 19th September 2024 and any subsequent applicable circulars issued by the Ministry of Corporate Affairs (collectively referred as 'MCA Circulars') and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2 /CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/PoD-2/P/ CIR/2023/4 dated January 5, 2023, SEBI/HO/CFD/CFD-PoD-2/P/ CIR/2023/167 dated October 7, 2023, SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 and any subsequent applicable circulars issued by Securities and Exchange Board of India (SEBI), (collectively referred as 'SEBI Circulars'), the Company is convening this 32nd Annual General Meeting (AGM) through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company, which shall be the deemed venue of the AGM.
2. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA / SEBI CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
3. However, the Corporate Members are entitled to appoint authorized representatives to attend the General Meeting through VC/OAVM and participate thereat and cast their votes through e-voting.

4. Explanatory statement pursuant to Section 102 of the Act and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, stating all material facts and reasons for businesses as set out in the Item no. 4, 5 and 6 is annexed hereto and forms a part of the Notice. The Board of Directors has considered and decided to include Item Nos. 4, 5 and 6 as Special Businesses in the forthcoming AGM as they are unavoidable in nature.
5. Information required pursuant to Regulation 36(3) of the SEBI Listing Regulations read with the applicable provisions of Secretarial Standard-2 on General Meetings, in respect of the Directors seeking change in Designation/re-appointment or variation in terms of remuneration, is provided as Annexure of this Notice. The Company has received the requisite consents/declarations for the change in Designation/re-appointment under the Act and the rules made thereunder.
6. Non-individual Members (i.e. Institutional/Corporate Members) intending to participate through their Authorized Representative(s) are requested to send a certified true copy of the Board Resolution, pursuant to Section 113 of the Act, authorizing their representatives to attend and vote on their behalf at the Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through their registered e-mail address to [secretarial@aslassociates.in](mailto:secretarial@aslassociates.in) with a copy marked to the Company on [investors@sarlafibers.com](mailto:investors@sarlafibers.com).
7. In case of joint holders participating at the AGM together, only such joint holder whose name appears higher in the order of names will be entitled to vote.
8. Facility of joining the AGM through VC/OAVM shall open Fifteen (15) minutes before the time scheduled for the AGM and the Members can join the AGM by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first serve basis.
9. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise shares held by them in physical form, for ease in portfolio management.
10. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act, are requested to

submit details to MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), in the prescribed Form SH-13 for this purpose.

11. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report for the F.Y. 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may please note that the Notice and Annual Report for the F.Y. 2024-25 will also be available on the Company's website at [www.sarlafibers.com](http://www.sarlafibers.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.

For Members whose email addresses are not registered, the Company will dispatch a one-page letter containing the web link to access the Notice and Annual Report, along with instructions for registering their email address

In case any Member is desirous of obtaining hard copy of the Annual Report for the Financial Year 2024-25 and Notice of the 32<sup>nd</sup> AGM of the Company, may send request to the Company's e-mail address at [investors@sarlafibers.com](mailto:investors@sarlafibers.com) mentioning Folio No./DP ID and Client ID.

12. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 19 June 2025 to Wednesday, 25 June 2025 (both days inclusive) for the purpose of AGM for F.Y. 2024-25.

13. **The Board of Directors has recommended a final dividend of ₹3.00/- per equity share of ₹1.00/- each for the financial year ended March 31, 2025, subject to approval by the Members at the 32<sup>nd</sup> Annual General Meeting (AGM).**

**The Company has fixed Wednesday, 18 June 2025, as the 'Record Date' for determining the entitlement of Members to the final dividend for the financial year ended March 31, 2025, if approved at the AGM.**

**The dividend, if approved by the members at the AGM, will be paid within the statutory timelines prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

14. **Payment of Dividend**

**For shares held in electronic (demat) form:**

Dividend will be paid to all Beneficial Owners whose names appear as at the end of the Record

Date, as per the list of beneficial owners to be provided by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**For shares held in physical form:**

Dividend will be paid to all Members whose names appear in the Register of Members as at the close of business hours on the Record Date, after giving effect to valid transmission and transposition requests lodged with the Company.

**SEBI Mandate for Electronic Payment and KYC Compliance**

Pursuant to SEBI circulars, with effect from April 1, 2024, dividends for shares held in physical form shall be paid only through electronic mode, provided the folio is KYC compliant. Members must ensure the following are registered with the Company's Registrar and Transfer Agent (RTA), MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited):

- ☐ PAN
- ☐ Choice of nomination
- ☐ Contact details and mobile number
- ☐ Complete bank details (including IFSC and MICR codes)
- ☐ Specimen signatures

If any of the above details are not updated, dividend payment will be withheld until all requirements are fulfilled in entirety.

15. To receive the dividend on time, Members holding shares in physical form should submit the following documents to the RTA before the Record Date:

- ☐ Duly filled and signed Form ISR-1, providing bank account details
- ☐ Original cancelled cheque bearing the name of the Member/first holder (in case of joint holding)
- ☐ Self-attested copy of PAN card of all holders
- ☐ Self-attested copy of address proof (Aadhaar card, Driving License, Voter ID, or Passport)
- ☐ Duly filled and signed Form ISR-2 (signature attestation by Bank Manager)
- ☐ Form SH-13 (Nomination) or ISR-3 (Opt-out of Nomination)

All relevant forms are available at the RTA's website - <https://in.mpms.mufig.com/> under Resources > Downloads > KYC > Formats for KYC.

16. As per the Finance Act, 2020, dividend income is taxable in the hands of shareholders. The Company is required to deduct TDS at the prescribed rates under the Income Tax Act, 1961. Members are advised to update their residential status, valid PAN linked to Aadhaar, and category as per the Income Tax Act with their Depository Participants (for demat shares) or with the Company (for physical shares). Resident individual shareholders not liable to pay income tax may submit a declaration in Form 15G/15H to avail exemption from TDS. The forms must be submitted to the RTA by Monday, June 16, 2025, to enable the Company to determine the appropriate TDS rate.

Non-resident shareholders (including FIIs/FPIs) may avail beneficial rates under the tax treaty between India and their country of residence by submitting the required documents (Tax Residency Certificate, Form 10F, etc.) to the RTA by Monday, June 16, 2025.

If the PAN provided is invalid, inoperative, or not linked to Aadhaar, or if income tax returns have not been filed as required, TDS will be deducted at higher rates as per Sections 206AA or 206AB of the Income Tax Act, and credit for such TDS may not be available.

17. For shares held in demat form, the bank details registered with the Depositories will be used for dividend payment. Members are requested to ensure their bank mandates are updated with their respective Depository Participants.

The Company will not entertain any direct request for change/addition/deletion of bank details from Members holding shares in demat form.

18. Members are advised to claim their unpaid/unclaimed dividends within seven years from the date of transfer to the Company's Unpaid Dividend Account, after which such amounts and the corresponding shares are liable to be transferred to the Investor Education and Protection Fund (IEPF), as per statutory requirements.

19. Members are encouraged to dematerialize their shares to eliminate risks associated with physical certificates and to facilitate prompt and secure payment of dividends. For assistance regarding KYC compliance, dematerialization, or claiming



unclaimed dividends/shares, Members may contact the Company's RTA.

**For further details on the above, please refer to the Company's website or contact the Registrar and Transfer Agent.**

20. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Registrar and Transfer Agent in case the shares are held by them in physical form.
21. SEBI vide circular no. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021, has made it mandatory for all shareholders holding shares in physical form to furnish nomination details to the Company/RTA. Shareholders can register their nomination details in Form SH-13 or they can choose to give declaration to opt out of Nomination by filing Form ISR-3. In case of shareholder holding shares in physical form wishes to change the nominee or cancel the nomination then Form SH-14 needs to be filled. The forms mentioned above are available on the website of the Company as well as on the website of RTA.

## 20. Transfer & Transmission of Shares:

- (a) Mandatory processing of Transfer & Transmission request in Demat form:

As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form w.e.f. April 01, 2019. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has w.e.f. January 24, 2022 mandated listed companies to issue securities in dematerialised form while processing service request for issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal/exchange of securities certificate, endorsement, subdivision/splitting of securities certificate, consolidation of securities certificates/folios, transmission, transposition, etc. In view of the above and to eliminate the risks associated with physical shares and to avail various benefits of dematerialisation, Members are advised to dematerialise their shares held in physical form.

- (b) Simplified Procedure for transmission of securities and Issuance of Duplicate Share certificates:

SEBI vide its Circular Nos. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/65 dated May 18, 2022 and SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/70 dated May 25, 2022 has simplified the procedure and standardised the format of documents for transmission of securities and issuance of duplicate securities certificates. Members are requested to submit their requests, if any, along with documents as per the said circulars.

## 23. Updation of Mandatory KYC Details:

Shares held in physical form: Members holding shares in physical form are requested to complete the mandatory KYC by sending an E-mail request along with duly signed forms to MUFG Intime India Private Limited (formerly known as Link Intime India Private Limited), Registrar & Transfer Agent ("MUFG Intime"/"R&T") of the Company at [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com). As per SEBI circular, non-availability of any of the above documents/details with MUFG Intime will result in freezing of the physical Member's folios.

- (a) Shares held in dematerialised form: Members holding shares in demat form are requested to submit/update their KYC details with their respective Depository Participant.

24. In accordance with SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated September 7, 2020, all share transfers shall be carried out compulsorily in the dematerialised form with effect from April 1, 2021. Hence no transfer of shares in physical form are allowed. Further, in compliance with SEBI vide its circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only:

- Issue of duplicate share certificate
- Claim from unclaimed suspense account
- Renewal/Exchange of securities certificate
- Endorsement
- Sub-division / splitting of securities certificate
- Consolidation of securities certificates/ folios

- Transmission
- Transposition

For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the Company as well as on the website of RTA. The aforementioned form shall be furnished in hard copy form.

25. Pursuant to Sections 124 and 125 and other relevant provisions of the Act, and Investor Education and Protection Fund ('IEPF') Authority (Accounting Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the dividend which remains unpaid/unclaimed for a period of Seven (7) years from the date of transfer to the unpaid/unclaimed dividend account of the

Sr. No.	Financial Year	Date of Declaration of Dividend	Due Date to transfer of IEPF
1.	2017-18 Final Dividend	28-09-2018	02-11-2025
2.	2018-19 Final Dividend	27-09-2019	01-11-2026
3.	2021-22 Final Dividend	28-09-2022	30-10-2029

In the event of transfer of shares and the unclaimed dividends to IEPF, members are entitled to claim the same from the IEPF authority by submitting an online application in e-Form IEPF-5 available on <http://www.iepf.gov.in/> and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a Financial Year as per the IEPF Rules.

Members who wish to claim dividends, which remain unclaimed, are requested to either correspond/coordinate with the Secretarial Department of the Company at [investors@sarlafibers.com](mailto:investors@sarlafibers.com) or the RTA at [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com) for revalidation and encashment before the due dates for transferring those dividends to the Investor Education and Protection Fund Authority (IEPF Authority). The Members are further requested to encash their unclaimed/unpaid dividend for the aforementioned years, if not already done.

26. Members holding shares in electronic form are requested to intimate any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates to the Company / MUFG Intime.
27. Members holding shares in the same name under different Ledger Folios are requested to apply

Company is required to be transferred to the Investor Education and Protection Fund ('IEPF') of the Central Government.

In accordance with the provisions of Section 124 of the Companies Act, 2013, the Company has transferred the shares of those shareholders whose dividend remained to be encashed/claimed for Seven (7) consecutive years or more. The details of such shareholders have been uploaded on the Company's website under the link - <https://www.sarlafibers.com/shares-in-iepf/>. Members are requested to note that no claim shall lie against the Company in respect of any shares/ dividend so transferred to the IEPF Authority.

for consolidation of such Folios and send the relevant share certificates to MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited), for doing the needful.

28. Members seeking any information with regard to Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, Register of Contracts or Arrangements in which directors are interested under Section 189 of the Act, and relevant documents referred to in the accompanying Notice and in the Explanatory Statements are requested to write to the Company on or before Tuesday, June 24, 2025 through email on [investors@sarlafibers.com](mailto:investors@sarlafibers.com). The same will be replied by the Company suitably.

Members requiring information on the Audited Financial Statement for the year ended March 31, 2025 are requested to write to the Company on email address [investors@sarlafibers.com](mailto:investors@sarlafibers.com) at least seven (7) days before the date of the AGM to enable the Company to furnish the information in suitable manner.

29. The Members can join the AGM in the VC/OAVM mode fifteen (15) minutes before and fifteen (15) minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

30. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. This will not include

large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors etc. who are allowed to attend the AGM, without restriction on account of a first come first served basis.

## II. VOTING THROUGH ELECTRONIC MEANS

- Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), and relevant MCA and SEBI Circulars, the Company is providing its Members the facility of remote e-voting to cast their votes electronically on all resolutions set forth in this Notice. The remote e-voting facility as well as e-voting during the AGM will be provided by **MUFG Intime India Private Limited** (Formerly known as Link Intime India Private Limited).
- The Board of Directors has appointed M/s. Abbas Lakdawalla & Associates LLP., Company Secretaries in Practice (Membership No.: F2988 / COP: 4052), as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.
- Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through Video Conferencing (VC) / Other Audio Visual Means (OAVM) but shall not be entitled to cast their vote again during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members holding shares in physical form are requested to access the remote e-voting facility provided by the Company through **MUFG Intime India Private Limited** (Formerly known as Link Intime India Private Limited).
- Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in this Notice.
- The Members whose names appear in the Register of Members / Beneficial Owners as on the cut-off date, i.e., Wednesday, June 18, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

- A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- The attendance of Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

Please refer to the detailed e-voting instructions mentioned below in the AGM Notice and on the MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) website for step-by-step guidance on the voting process.

### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER: -

**The remote e-voting period begins on Saturday, 21 June 2025 at 09:00 A.M. and ends on Tuesday, 24 June 2025, at 05: 00 P.M. The remote e-voting module shall be disabled by MUFG Intime India Private Limited (Formerly known as Link Intime India Private Limited) for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, 18 June 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, 18 June 2025.**

#### Remote e-Voting Instructions for shareholders

In terms of SEBI circular no. SEBI/HO/CFD/PoD2/ CIR/P/2023/120 dated July 11, 2023, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

#### Individual Shareholders holding securities in demat mode with NSDL

##### METHOD 1 - Individual Shareholders registered with NSDL IDeAS facility

#### Shareholders who have registered for NSDL IDeAS facility:

- Visit URL: <https://eservices.nsdl.com> and click on "Beneficial Owner" icon under "Login".
- Enter User ID and Password. Click on "Login"

- After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

#### OR

#### Shareholders who have not registered for NSDL IDeAS facility:

- To register, visit URL: <https://eservices.nsdl.com> and select "Register Online for IDeAS Portal" or click on <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
- Proceed with updating the required fields.
- Post successful registration, user will be provided with Login ID and password.
- After successful login, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
- Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

#### METHOD 2 - Individual Shareholders directly visiting the e-voting website of NSDL

- Visit URL: <https://www.evoting.nsdl.com>
- Click on the "Login" tab available under 'Shareholder/Member' section.
- Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
  - Post successful authentication, you will be re-directed to NSDL depository website wherein you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services.
  - Click on "MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

#### Individual Shareholders holding securities in demat mode with CDSL

##### METHOD 1 - Individual Shareholders registered with CDSL Easi/ Easiest facility

#### Shareholders who have registered/ opted for CDSL Easi/ Easiest facility:

- Visit URL: <https://web.cdslindia.com/myeasitoken/Home/Login> or [www.cdslindia.com](http://www.cdslindia.com).
- Click on New System Myeasi Tab
- Login with existing my easi username and password
- After successful login, user will be able to see e-voting option. The evoting option will have links of e-voting service providers i.e., MUFG InTime, for voting during the remote e-voting period.
- Click on "Link InTime/ MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

#### OR

#### Shareholders who have not registered for CDSL Easi/ Easiest facility:

- To register, visit URL: <https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration/>
- Proceed with updating the required fields.
- Post registration, user will be provided username and password.
- After successful login, user able to see e-voting menu.
- Click on "Link InTime / MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

#### METHOD 2 - Individual Shareholders directly visiting the e-voting website of CDSL

- Visit URL: <https://www.cdslindia.com>
- Go to e-voting tab.
- Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".
- System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account
- After successful authentication, click on "Link InTime / MUFG InTime" or "evoting link displayed alongside Company's Name" and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.



**Individual Shareholders holding securities in demat mode with Depository Participant**

- Individual shareholders can also login using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for e-voting facility.
- Login to DP website
- After Successful login, user shall navigate through “e-voting” option.
- Click on e-voting option, user will be redirected to NSDL / CDSL Depository website after successful authentication, wherein user can see e-voting feature.
- After successful authentication, click on “Link InTime / MUFG InTime” or “evoting link displayed alongside Company’s Name” and you will be redirected to InstaVote website for casting the vote during the remote e-voting period.

**Login method for shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode**

Shareholders holding shares in physical mode / Non-Individual Shareholders holding securities in demat mode as on the cut-off date for e-voting may register for InstaVote as under:

- Visit URL: <https://instavote.linkintime.co.in>
- Shareholders who have not registered for INSTAVOTE facility:
- Click on “Sign Up” under ‘SHARE HOLDER’ tab and register with your following details:
  - User ID:**  
NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.  
CDSL demat account – User ID is 16 Digit Beneficiary ID.  
Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.
  - PAN:**  
Enter your 10-digit Permanent Account Number (PAN)  
(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - DOB/DOI:**  
Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with

your DP / Company - in DD/MM/YYYY format)

**D. Bank Account Number:**

Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

\*Shareholders holding shares in NSDL form, shall provide ‘D’ above

\*\*Shareholders holding shares in physical form but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above

- ☐ Set the password of your choice  
(The password should contain minimum 8 characters, at least one special Character (!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter).
- ☐ Enter Image Verification (CAPTCHA) Code
- ☐ Click “Submit” (You have now registered on InstaVote).

**Shareholders who have registered for INSTAVOTE facility:**

- Click on “Login” under ‘SHARE HOLDER’ tab.
  - User ID: Enter your User ID
  - Password: Enter your Password
  - Enter Image Verification (CAPTCHA) Code
  - Click “Submit”
- Cast your vote electronically:
  - After successful login, you will be able to see the “Notification for e-voting”.
  - Select ‘View’ icon.
  - E-voting page will appear.
  - Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
  - After selecting the desired option i.e. Favour / Against, click on ‘Submit’.

A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

Guidelines for Institutional shareholders (“Custodian / Corporate Body/ Mutual Fund”)

**STEP 1 – Custodian / Corporate Body/ Mutual Fund Registration**

- Visit URL: <https://instavote.linkintime.co.in>
- Click on “Sign Up” under “Custodian / Corporate Body/ Mutual Fund”
- Fill up your entity details and submit the form.
- A declaration form and organization ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in).
- Thereafter, Login credentials (User ID; Organisation ID; Password) is sent to Primary contact person’s email ID. (You have now registered on InstaVote)

**STEP 2 – Investor Mapping**

- Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- Click on “Investor Mapping” tab under the Menu Section
- Map the Investor with the following details:
  - ‘Investor ID’ –
    - NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID i.e., IN000000012345678
    - CDSL demat account – User ID is 16 Digit Beneficiary ID.
  - ‘Investor’s Name - Enter Investor’s Name as updated with DP.
  - ‘Investor PAN’ - Enter your 10-digit PAN.
  - ‘Power of Attorney’ - Attach Board resolution or Power of Attorney.  
\*File Name for the Board resolution/ Power of Attorney shall be – DP ID and Client ID or 16 Digit Beneficiary ID. Further, Custodians and Mutual Funds shall also upload specimen signatures.
  - Click on Submit button. (The investor is now mapped with the Custodian / Corporate Body/ Mutual Fund Entity). The same can be viewed under the “Report Section”.

**STEP 3 – Voting through remote e-voting**

The corporate shareholder can vote by two methods, during the remote e-voting period.

**METHOD 1 - VOTES ENTRY**

- Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- Click on “Votes Entry” tab under the Menu section.
- Enter the “Event No.” for which you want to cast vote.  
Event No. can be viewed on the home page of InstaVote under “On-going Events”.
- Enter “16-digit Demat Account No.” for which you want to cast vote.
- Refer the Resolution description and cast your vote by selecting your desired option ‘Favour / Against’ (If you wish to view the entire Resolution details, click on the ‘View Resolution’ file link).
- After selecting the desired option i.e. Favour / Against, click on ‘Submit’.

A confirmation box will be displayed. If you wish to confirm your vote, click on ‘Yes’, else to change your vote, click on ‘No’ and accordingly modify your vote.

OR

**METHOD 2 - VOTES UPLOAD**

- Visit URL: <https://instavote.linkintime.co.in> and login with InstaVote Login credentials.
- After successful login, you will be able to see the “Notification for e-voting”.
- Select “View” icon for “Company’s Name / Event number”.
- E-voting page will appear.
- Download sample vote file from “Download Sample Vote File” tab.
- Cast your vote by selecting your desired option ‘Favour / Against’ in the sample vote file and upload the same under “Upload Vote File” option.
- Click on ‘Submit’. ‘Data uploaded successfully’ message will be displayed.

(Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

**Helpdesk:**

**Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in

demat mode facing any technical issue in login may contact INSTAVOTE helpdesk by sending a request at [enotices@in.mpms.mufig.com](mailto:enotices@in.mpms.mufig.com) or contact on: - Tel: 022 - 4918 6000.

**Individual Shareholders holding securities in demat mode:**

Individual Shareholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at: 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**Forgot Password:**

**Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode:**

Shareholders holding securities in physical mode / Non-Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- ❑ Click on “Login” under ‘SHARE HOLDER’ tab.
- ❑ Click “forgot password?”
- ❑ Enter User ID, select Mode and Enter Image Verification code (CAPTCHA).
- ❑ Click on “SUBMIT”.

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

**User ID:**

NSDL demat account – User ID is 8 Character DP ID followed by 8 Digit Client ID.

CDSL demat account – User ID is 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – User ID is Event No + Folio Number registered with the Company.

In case Custodian / Corporate Body/ Mutual Fund has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the “Forgot Password” option available on: <https://instavote.linkintime.co.in>

- ❑ Click on ‘Login’ under “Custodian / Corporate Body/ Mutual Fund” tab
- ❑ Click “forgot password?”
- ❑ Enter User ID, Organization ID and Enter Image Verification code (CAPTCHA).
- ❑ Click on “SUBMIT”.

In case shareholders have a valid email address, Password will be sent to his / her registered e-mail address. Shareholders can set the password of his/her choice by providing information about the particulars of the Security Question and Answer, PAN, DOB/DOI etc. The password should contain a minimum of 8 characters, at least one special character (!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:**

Individual Shareholders holding securities in demat mode have forgotten the USER ID [Login ID] or Password or both, then the Shareholders are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

- ❑ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ❑ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ❑ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

In terms of Ministry of Corporate Affairs (MCA) General Circular No. 09/2024 dated 19.09.2024,

the Companies can conduct their AGMs/ EGMs on or before 30 September 2025 by means of Video Conference (VC) or other audio-visual means (OAVM).

Shareholders are advised to update their mobile number and email Id correctly in their demat accounts to access InstaMeet facility.

**Login method for shareholders to attend the General Meeting through InstaMeet:**

- a) Visit URL: <https://instameet.in.mpms.mufig.com> & click on “Login”.
- b) Select the “Company” and ‘Event Date’ and register with your following details:

**A. Demat Account No. or Folio No:**

Shareholders holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.

Shareholders holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

Shareholders holding shares in physical form – shall provide Folio Number.

**B. PAN:**

Enter your 10-digit Permanent Account Number (PAN)

(Shareholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No: Enter your Mobile No.**

**D. Email ID: Enter your email Id as recorded with your DP/ Company.**

- c) Click “Go to Meeting”

You are now registered for InstaMeet, and your attendance is marked for the meeting.

**Instructions for shareholders to Speak during the General Meeting through InstaMeet:**

- a) Shareholders who would like to speak during the meeting must register their request with the company.
- b) Shareholders will get confirmation on first cum first basis depending upon the provision made by the company.
- c) Shareholders will receive “speaking serial number” once they mark attendance for the meeting. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

- d) Other shareholder who has not registered as “Speaker Shareholder” may still ask questions to the panellist via active chat-board during the meeting.

\*Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**Instructions for Shareholders to Vote during the General Meeting through InstaMeet:**

- a) Once the electronic voting is activated during the meeting, shareholders who have not exercised their vote through the remote e-voting can cast the vote as under:
- b) On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
- c) Enter your 16-digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET
- d) Click on ‘Submit’.
- e) After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- e) Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
- f) After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

Shareholders/ Members, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.



Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/ Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

**Helpdesk:**

Shareholders facing any technical issue in login may contact INSTAMEET helpdesk by sending a request at instameet@in.mpms.mufg.com or contact on: - Tel: 022 - 4918 6000 / 4918 6175.

**I. OTHER INSTRUCTIONS:**

1. A member can vote through only one mode— either remote e-voting or e-voting during the AGM. If a member casts votes by both modes, only the remote e-voting will be considered valid, as per Rule 20 of the Companies (Management and Administration) Rules, 2014 and SEBI Circular SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023.
2. Only members whose names appear in the Register of Members/Record of Depositories as on the cut-off date Wednesday, 18 June 2025

will be eligible to vote. Voting rights will be proportionate to the member's shareholding as on the cut-off date. Any recipient of the AGM Notice who is not a member as on that date should treat this notice for information purposes only.

3. The Scrutinizer will, immediately after the conclusion of voting at the AGM, first unblock the e-voting at the meeting and then the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company. The Scrutinizer will prepare a consolidated report of the total votes cast in favour or against and submit it within two days of the conclusion of the meeting to the Chairman or a person authorized by him in writing, who will countersign the same.
4. The results declared along with the Scrutinizer's Report will be placed on the Company's website (<https://www.sarlafibers.com/>) and will also forward the results to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), where its shares are listed.
5. The resolutions shall be deemed to be passed on the date of the AGM, i.e., June 25, 2025, subject to receipt of the requisite number of votes.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 4: Change in Designation and Revision in Remuneration of Mr. Kanav Jhunjunwala (DIN: 09507192)**

The Board of Directors, at its meeting held on April 25, 2025, upon the recommendation of the Nomination and Remuneration Committee (NRC), approved the change in designation of Mr. Kanav Jhunjunwala (DIN: 09507192) from 'Executive Director' to 'Whole-Time Executive Director' with effect from April 25, 2025, for a term of five years, not liable to retire by rotation, subject to the approval of the shareholders.

The Board also approved a revision in his remuneration for a period of three years from April 1, 2025, to March 31, 2028, in view of his enhanced responsibilities and full-time executive role in overseeing all manufacturing functions, ensuring process efficiency, product quality, and delivering operational and strategic value to the Company.

The proposed remuneration structure is as follows:

**Revised Monthly Remuneration Structure:**

Component	Amount (₹ per month)
Basic Salary	1,60,000
Supplementary Allowance	2,19,000
House Rent Allowance	80,000
<b>Total</b>	<b>4,59,000</b>

Additionally, Mr. Jhunjunwala shall be entitled to annual leave encashment of ₹1,12,000 as per the Company's policies. The remuneration is within the limits prescribed under Sections 196 and 197 of the Companies Act, 2013, read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In the event of absence or inadequacy of profits in any financial year during his tenure, the proposed remuneration may be paid as minimum remuneration, subject to the provisions of Schedule V.

Mr. Kanav Jhunjunwala satisfies all conditions for appointment as a Whole-Time Executive Director as prescribed under the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He is not disqualified from being appointed as a Director under Section 164 of the Companies Act, 2013.

The Board and the NRC are authorized to review and revise the remuneration from time to time, subject to applicable laws and approvals.

It is proposed to seek members' approval for the change in designation of and revision in remuneration payable to Mr. Jhunjunwala as Whole Time Director

of the Company, in terms of the applicable provisions of the Act.

Mr. Kanav Jhunjunwala, Mr. Krishna Jhunjunwala, and Ms. Neha Jhunjunwala are interested in this resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board of Directors recommends passing of the above resolution as Special Resolution as set out at Item No. 4 of this Notice for the approval of the Members as a Special Resolution.

**Item No. 5: Ratification of Cost Auditor's Remuneration**

As per the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to have an audit of its cost records conducted by a cost accountant in practice. The Board, based on the recommendation of the Audit Committee, has approved the appointment of M/s. Kasina & Associates, Cost Accountants (Firm Registration No. 104088), as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2026, at a remuneration of ₹95,000/- plus applicable taxes and reimbursement of reasonable out-of-pocket expenses.

In accordance with Section 148(3) of the Act, the remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors, for the financial year ending March 31, 2026.

None of the Directors, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

**ITEM NO. 6: APPOINTMENT OF SECRETARIAL AUDITOR**

Pursuant to Section 204 of the Companies Act, 2013 and Regulation 24A of SEBI (LODR) Regulations, 2015 (as amended), every listed company must appoint a Peer Reviewed Company Secretary as Secretarial Auditor for a term not exceeding five consecutive years, Subject to shareholder approval.

The Board, on the recommendation of the Audit Committee, proposes the appointment of CS Swati Gupta, a Peer Reviewed Company Secretary in

Practice, as Secretarial Auditor for a term of five consecutive financial years commencing from FY 2025-26, subject to members approval at the ensuing AGM, as applicable.

Key Details:

- ❑ Proposed Fees: ₹ 1,50,000/- per annum
- ❑ Term: Five consecutive years (FY 2025-26 to FY 2029-30)
- ❑ Credentials: CS Swati Gupta holds a valid Peer Review Certificate from ICSI and has relevant

experience in secretarial audits for listed companies.

- ❑ Regulatory Compliance: The appointment meets all requirements under the Companies Act, SEBI LODR, and recent SEBI circulars.

None of the Directors, Key Managerial Personnel, or their relatives are interested in this resolution. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out in item No. 6 of the Notice.



ANNEXURE TO THE NOTICE

DETAILS OF DIRECTORS SEEKING CHANGE IN DESIGNATION AND RE-APPOINTMENT AT THE AGM  
(Pursuant to Regulation 36(3) of SEBI LODR and Secretarial Standard-2)

Name of the Director	Ms. Neha Jhunjhunwala	Mr. Kanav Jhunjhunwala
Director Identification Number	07144529	09507192
Nationality	Indian	Indian
Date of Birth and Age	22/02/1989 (35 years)	08/04/1997 (28 years)
Qualifications	Bachelor's degree in management studies from the University of Mumbai and Master's degree in marketing & Strategy, from the University of Warwick, London.	Bachelor's degree in Economics, Finance & Entrepreneurship from the Tufts University, Boston
Experience and Expertise	<p>Ms. Neha Jhunjhunwala brings extensive experience to the table and has been an integral part of the company since 2010. With a natural flair for multitasking, she has contributed across various functions within the organization. Neha has been a driving force at SPFL since the beginning of her journey.</p> <p>Currently, she leads the Marketing &amp; Sales function, focusing primarily on customer acquisition and strengthening the company's brand presence.</p>	<p>Mr. Kanav Jhunjhunwala commenced his career at Sarla in 2019, with his first major project being the implementation of SAP. Since then, he has played an active role in streamlining backend operations and systems.</p> <p>He spends the majority of his time at the plant, overseeing and managing all production operations.</p> <p>Kanav brings a fresh perspective to the company, with a strong focus on digitization, process enhancement, and the professionalization of the work culture.</p>
Terms and Conditions of appointment/ re-appointment/ Change in designation	Ms. Neha Jhunjhunwala will be reappointed as Executive Director, liable to retire by rotation.	Mr. Kanav Jhunjhunwala is designated as a Whole-Time Director of the Company, not liable to retire by rotation.
Date of first appointment on the Board	31/03/2015	12/02/2022
Shareholding in the Company as on 31/03/2025	4,000 Equity shares	6,47,000 Equity shares
Relationship with other Directors / Key Managerial Personnel	Ms. Neha belongs to the promoter group. She is daughter of Mr. Krishna Jhunjhunwala, Managing Director and sister of Mr. Kanav Jhunjhunwala, Executive Director.	Mr. Kanav belongs to Promoter group. He is a Son of Mr. Krishna Jhunjhunwala, Managing Director and brother of Ms. Neha Jhunjhunwala, Executive Director.
*Directorships/ Chairmanship of other Boards	Nil	Nil
**Memberships/Chairmanship in other Companies	Nil	Nil

\* Directorships in Private Limited Companies, Foreign Companies and Section 8 companies and their Committee memberships are excluded.



\*\* Membership and Chairmanship of only Audit Committees and Stakeholders' Relationship Committees have been included in the aforesaid table.

For other details such as the number of meetings of the Board attended during FY 2024-25 and remuneration last drawn, please refer to the Corporate Governance Report in the Annual Report.

By order of the Board of Directors  
**For Sarla Performance Fibers Limited**

**Kapil Raj Yadav**  
(Company Secretary & Compliance Officer)

Place: Mumbai  
Date: April 25, 2025

**Registered Office:**  
Survey No. 59/1/4,  
Amli Piparia Industrial Estate, Silvassa,  
U.T. of Dadra & Nagar Haveli – 396230  
Tel: 0260-3290467, Fax: 0260 – 2631356  
Email: investors@sarlafibers.com  
Website: www.sarlafibers.com



### **REGISTERED OFFICE**

Sarla Performance Fibers Limited  
Survey No. 59/1/4, AmliPiparia Industrial Estate,  
Silvassa - 396 230, U.T. of Dadra & Nagar Haveli  
CIN: L31909DN1993PLC000056

### **CORPORATE OFFICE**

304, Arcadia, 195, NCPA Marg,  
Nariman Point, Mumbai - 400 021  
Ph.: -91-22-22834116; Fax: +91-22-66324038;  
E-mail: [investors@sarlafibers.com](mailto:investors@sarlafibers.com);  
Website: [www.sarlafibers.com](http://www.sarlafibers.com)

