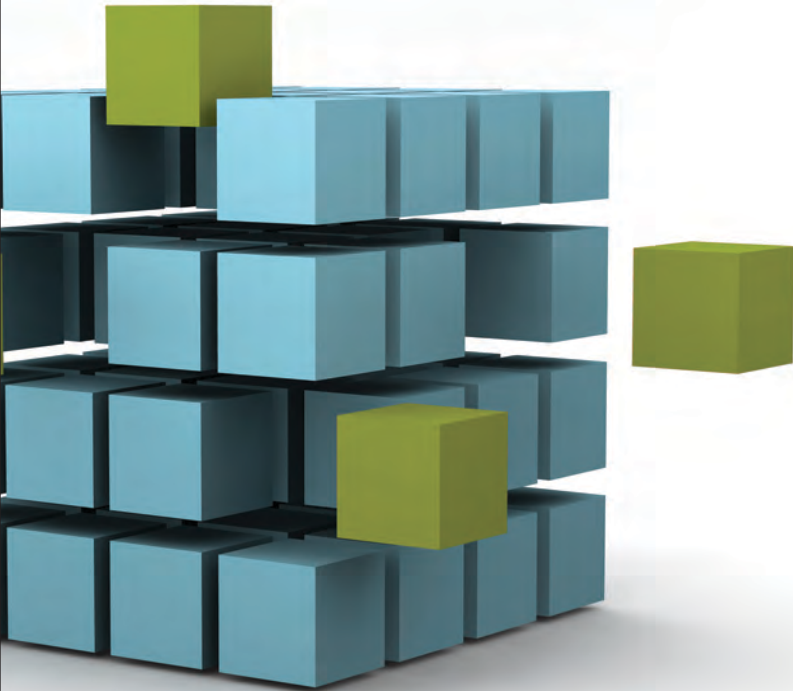


CONSOLIDATION FOR EFFECTIVENESS

22nd ANNUAL REPORT
2014-2015



Cover Page Theme:

CONSOLIDATION FOR EFFECTIVENESS

We have borrowed liberally for this year's cover page theme from Peter Drucker and Stephen Covey, two great thinkers.

After relentlessly pursuing growth through expanding geographies, product lines, assets, balance sheet and production capacities we are now planning a review of sorts to be more effective in terms of end results. It is our desire to make sure that we first get the best out of what we have invested in and then take up anything new.

Corporate Details

Board of Directors

Madhusudan Jhunjunwala - Chairman & Whole-time Director

Krishnakumar M. Jhunjunwala - Managing Director

Arun Vaid - Director

Jigar A Shah - Director

Parantap Dave - Director

Neha Jhunjunwala - Director (w.e.f. 31st March, 2015)

Chief Financial Officer & Company Secretary

Mahendra Sheth

Auditors

M/s. Sundarlal, Desai & Kanodia, Chartered Accountants, Mumbai

Bankers

Citibank N.A.

Standard Chartered Bank

DBS Bank Ltd.

IndusInd Bank Ltd.

Yes Bank Ltd.

Bank of Bahrain & Kuwait, B.S.C.

Allahabad Bank

Commonwealth Bank of Australia

First Rand Bank

Bank International Indonesia

Registered Office

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

Plants

- 1) **Survey No. 59/1/4, Amli Piparia Industrial Estate,
Silvassa - 396 230, U.T. of Dadra & Nagar Haveli.**
- 2) **Survey No. 64/2/3/4, 61/2, 62/5, 63/5, 63/7,
Amli Piparia Industrial Estate, Silvassa - 396 230,
U.T. of Dadra & Nagar Haveli.**
- 3) **Shed No. A1/48, 100 Sheds Area, GIDC, Vapi - 396 195.**

Corporate Office

304, Arcadia, Nariman Point, Mumbai - 400 021.

Website

www.sarlafibers.com

Investors services e-mail id:

investors@sarlafibers.com

Registrars & Transfer Agents:

M/s. Sharex Dynamic (India) Pvt. Ltd.,

**Unit - 1, Luthra Ind. Premises, Safed Pool, Andheri
Kurla Road, Andheri (E), Mumbai - 400 072.**



Inside this report

01		Corporate Details
02		At a Glance
04		Delivering Value Over A Decade
06		Performance at a Glance
08		Achievements in F.Y. 2014-15
09		Inspiring Testimonies
10		From The Desk of Managing Director
12		Directors' Report
35		Corporate Governance Report
44		Auditors Report
48		Balance Sheet
49		Statement of Profit and Loss
59		Cash Flow Statement
60		Notes to Balance Sheet
72		Consolidated Financial Statement
85		Notice
88		Notes
92		Annexure to Notice

At A Glance

NYLON 66 Pilot Plant at Silvassa





Delivering Value Over A Decade

Profit & Loss And Balance Sheet	2006 03	2007 03	2008 03	2009 03	2010 03	2011 03
Equity Paid Up	6.95	6.95	6.95	6.95	6.95	6.95
Networth	42.93	51.34	63.84	74.47	89.17	108.24
Capital Employed	61.52	80.7	106.37	113.44	126.10	155.84
Gross Block	43.66	48.55	69.91	76.85	90.83	113.11
Net Working Capital (Incl. Def. Tax)	24.66	38.81	51.89	60.13	62.82	77.54
Net Sales	86.09	98.51	122.33	135.59	155.33	193.02
10 year sales CAGR						
PBIDT	18.42	20.00	24.57	24.89	29.57	35.95
10 year EBIDTA CAGR						
PAT	11.32	11.38	15.22	12.72	16.91	22.53
10 year net profit CAGR						
Book Value (Unit Curr)	61.77	73.87	91.85	107.15	128.30	155.73
10 year book value CAGR						
Market Capitalisation	89.59	81.45	94.52	23.87	61.92	78.54
10 year MCAP CAGR						
EPS (annualised) (Unit Curr)	15.87	15.96	21.89	18.30	24.34	32.42
Dividend (annualised%)	30	30	35	35	35	45
Payout	2.085	2.085	2.43	2.43	2.43	3.13
Payout (%)	18.95	18.85	15.98	19.12	14.38	13.88

Key Ratios	2006 03	2007 03	2008 03	2009 03	2010 03	2011 03
Debt-Equity Ratio	0.46	0.51	0.67	0.52	0.42	0.44
Long Term Debt-Equity Ratio	0.03	0	0.01	0.02	0.05	0.11
Current Ratio	1.07	1.15	1.22	1.42	1.55	1.73
Turnover Ratios						
Fixed Assets Ratio	2.12	2.2	2.07	1.85	1.85	1.89
Inventory Ratio	7.06	6.54	5.09	4.64	5.22	4.41
Debtors Ratio	4.47	4.23	3.43	4.92	3.59	3.79
Interest Cover Ratio	9.54	7.58	10.36	6.52	10.07	15.43
PBIDTM (%)	20.8	19.76	17.68	15.47	16.01	16.09
PBITM (%)	17.87	16.85	14.03	11.60	12.43	12.66
PBDTM (%)	18.92	17.53	16.10	13.25	14.47	15.10
ROCE (%)	28.18	23.99	22.18	18.41	20.47	21.21
RONW (%)	29.46	24.14	26.43	18.39	20.67	22.83
Debtors Velocity (Days)	63	70	105	100	98	92
Creditors Velocity (Days)	49	57	49	44	49	52

(Rs. in Crores)

2012 03	2013 03	2014 03	2015 03
6.95	6.95	6.95	8.35
124.41	142.46	169.15	229.71
		17%	18%
192.63	256.72	402.41	488.45
125.07	153.23	258.16	266.64
97.99	113.86	114.58	129.71
222.65	258.69	261.82	312.05
22%	18%	14%	14%
34.52	47.61	55.61	61.79
25%	20%	13%	13%
18.92	27.98	27.75	27.93
33%	21%	11%	9%
178.99	204.97	243.37	275.10
23%	22%	21%	19%
69.29	100.78	117.63	309.13
30%	32%	26%	22%
27.22	40.25	39.93	37.58
50	60	75	80
3.48	4.17	5.21	6.68
18.37	14.90	18.79	23.92

2012 03	2013 03	2014 03	2015 03
0.55	0.76	1.38	1.13
0.11	0.28	0.94	0.60
1.56	1.53	1.50	1.49
1.87	1.86	1.27	1.13
4.31	4.47	3.37	4.18
3.70	4.43	3.91	4.16
7.90	8.06	6.50	7.35
14.77	18.40	20.54	18.94
11.33	15.22	16.48	14.46
13.5	16.72	18.01	16.95
15.72	17.47	13.53	10.51
16.25	20.96	17.81	14.00
99	80	93	88
78	40	67	73

2006

A change in the company's name from Sarla Polyester Limited to Sarla Performance Fibers Limited (SPFL).

Established its 1st joint venture overseas in Honduras, Central America under the name Savitex S.A. de C.V.

Set up a spinning plant for conversion of nylon chips into high tenacity nylon 6 and nylon 66 industrial yarns.

2007

Created Sarla Overseas Holdings Limited (SOHL), a wholly owned subsidiary as a separate investment arm for the company.

The company's shares were listed on the National Stock Exchange of India Limited (NSE).

Expanded production capacities in Silvassa.

2009

Established a joint venture in Portugal, Sarla Europe LDA,.

2010

Installed first windmill in Gujarat.

2011

Started joint venture operations in Turkey.

Installed windmills in Satara, Maharashtra. Total wind power generation capacity of 3.25 MW.

2012

2 more windmills of 2 MW each to start operation by September 2012.

2013

Directly entered American POY Market through setting up wholly owned subsidiary Sarla Flex Inc., at South Carolina

2014

Started commercial production of POY from a green field plant at South Carolina, USA in January 2014.

2015

Raised Rs. 46.69 Crores by placing Equity Shares at premium to Qualified Institutional Buyers (QIBs)



SALES

NET SALES - (Rs. crores)

March '15	312.06
March '14	261.82
March '13	258.69
March '12	222.65
March '11	193.02
March '10	155.33
March '09	135.59
March '08	122.33
March '07	98.51
March '06	86.09

EBIDTA

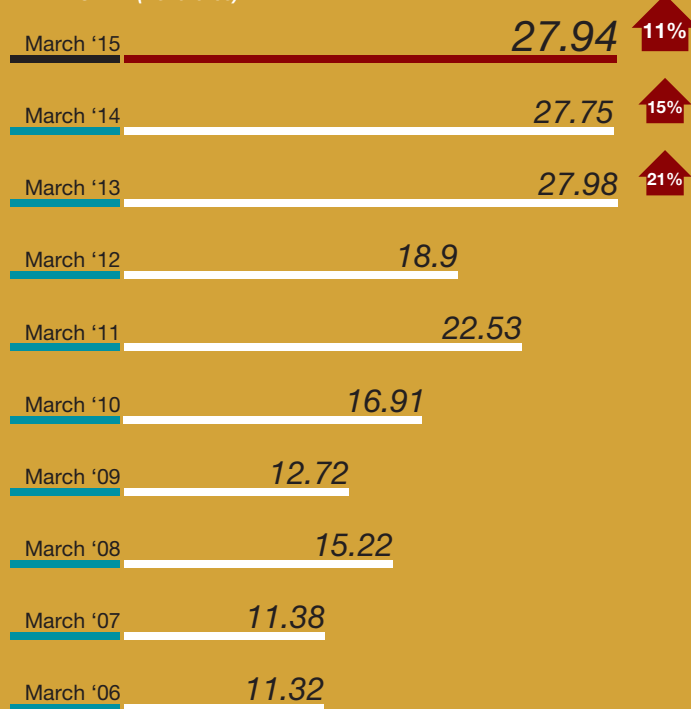
PBIDT - (Rs. crores)

March '15	61.31
March '14	55.61
March '13	47.61
March '12	34.52
March '11	35.95
March '10	29.57
March '09	24.89
March '08	24.57
March '07	20
March '06	18.42

Performance At A Glance

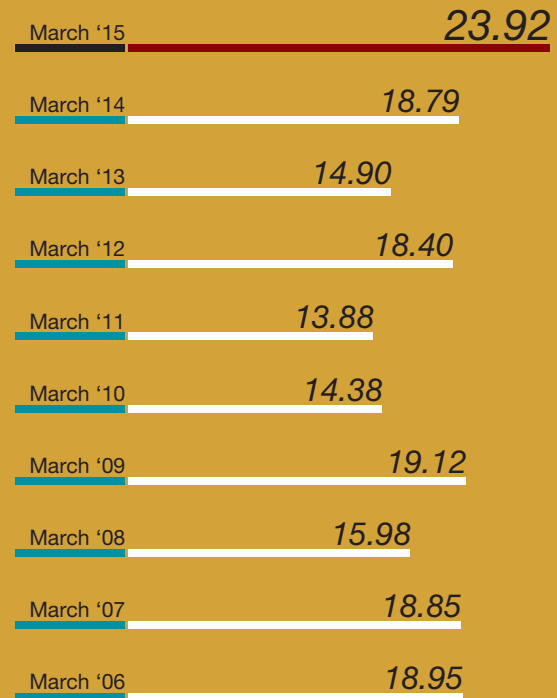
NET PROFIT

NET PROFIT - (Rs. crores)



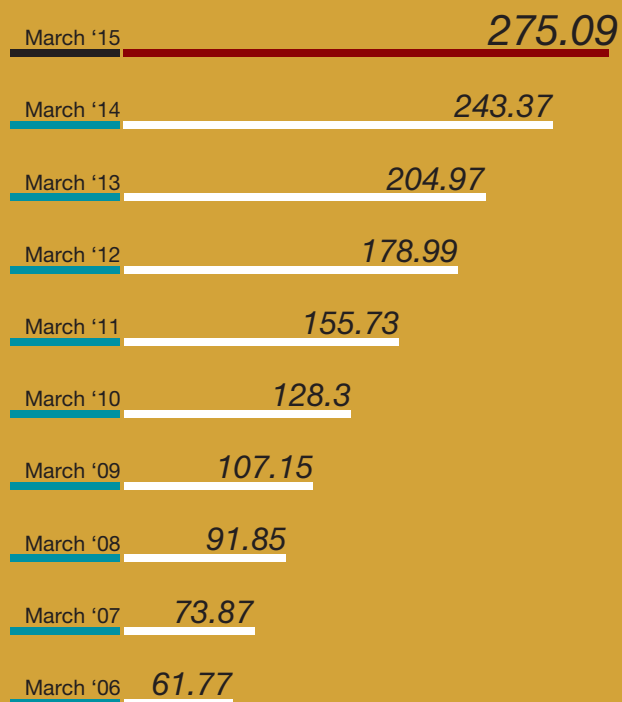
DIVIDEND PAYOUT

(%)



BOOK VALUE

BOOK VALUE - (Rs. crores)



MARKET CAPITALIZATION

(Rs. crores)





Business Highlights

EXPORTS TO 45 COUNTRIES

Worldwide reach

NORTH AMERICA & INDIA

Manufacturing operations

THAILAND, VIETNAM, INDIA & US

Distribution set up

NYLON 66 MANUFACTURING

*One of the few Nylon 66 manufacturers
around the globe*

13%

EBIDTA CAGR

14%

Revenue CAGR for the last decade

22%

MCAP CAGR for the last decade