



*green  
growth*

## GREEN GROWTH

Today SPFL consumes 5.375 MW of energy at its different plants on an annual basis. Since 2010 when we put up our first wind turbine till FY16, we now generate capacity of 7.25 MW of wind turbine. We plan to install another wind turbines this year and may also put up some solar capacity which will help us generate total renewable energy of 14.95 MW by end of FY17. This will lead to excess of renewable power generation at SPFL as compared to consumption of energy generated through fossil fuel. It would be a landmark for us as a responsible corporate citizen.



## 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

### 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**

**PT Bank MayBank 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](http://www.sarlafibers.com)

### Investors services e-mail id:

[investors@sarlafibers.com](mailto: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.

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## Delivering Value Over A Decade

<b>Profit &amp; Loss And Balance Sheet</b>	<b>2006 03</b>	<b>2007 03</b>	<b>2008 03</b>	<b>2009 03</b>	<b>2010 03</b>	<b>2011 03</b>	<b>2012 03</b>
Equity Paid Up	6.95	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	124.41
Capital Employed	61.52	80.7	106.37	113.44	126.10	155.84	189.52
Gross Block	43.66	48.55	69.91	76.85	90.83	113.11	125.07
Net Working Capital ( Incl. Def. Tax)	24.66	38.81	51.89	60.13	62.82	77.54	97.99
Net Sales	86.09	98.51	122.33	135.59	155.33	193.02	222.65
<b>10 year sales CAGR</b>							<b>22%</b>
PBIDT	18.42	20.00	24.57	24.89	29.57	35.95	34.52
<b>10 year EBIDTA CAGR</b>							<b>25%</b>
PAT	11.32	11.38	15.22	12.72	16.91	22.53	18.92
<b>10 year net profit CAGR</b>							<b>33%</b>
Book Value (Unit Curr)	61.77	73.87	91.85	107.15	128.30	155.73	178.99
<b>10 year book value CAGR</b>							<b>23%</b>
Market Capitalisation	89.59	81.45	94.52	23.87	61.92	78.54	69.29
<b>10 year MCAP CAGR</b>							<b>30%</b>
EPS (annualised) (Unit Curr)	15.87	15.96	21.89	18.30	24.34	32.42	27.22
Dividend (annualised%)	30.00	30.00	35.00	35.00	35.00	45.00	50.00
Payout	2.085	2.085	2.43	2.43	2.43	3.13	3.48
Payout (%)	18.95	18.85	15.98	19.12	14.38	13.88	18.37
<b>Key Ratios</b>	<b>2006 03</b>	<b>2007 03</b>	<b>2008 03</b>	<b>2009 03</b>	<b>2010 03</b>	<b>2011 03</b>	<b>2012 03</b>
Debt-Equity Ratio	0.46	0.51	0.67	0.52	0.42	0.44	0.52
Long Term Debt-Equity Ratio	0.03	0	0.01	0.02	0.05	0.11	0.08
Current Ratio	1.07	1.15	1.22	1.42	1.55	1.73	1.56
Turnover Ratios							
Fixed Assets Ratio	2.12	2.2	2.07	1.85	1.85	1.89	1.87
Inventory Ratio	7.06	6.54	5.09	4.64	5.22	4.41	4.31
Debtors Ratio	4.47	4.23	3.43	4.92	3.59	3.79	3.70
Interest Cover Ratio	9.54	7.58	10.36	6.52	10.07	15.43	7.90
PBIDTM (%)	20.8	19.76	17.68	15.47	16.01	16.09	14.77
PBITM (%)	17.87	16.85	14.03	11.60	12.43	12.66	11.33
PBDTM (%)	18.92	17.53	16.10	13.25	14.47	15.10	13.5
ROCE (%)	28.18	23.99	22.18	18.41	20.47	21.21	15.72
RONW (%)	29.46	24.14	26.43	18.39	20.67	22.83	16.25
Debtors Velocity (Days)	63.00	70.00	105.00	100.00	98.00	92.00	99.00
Creditors Velocity (Days)	49.00	57.00	49.00	44.00	49.00	52.00	78.00

## 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 in 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)

## 2016

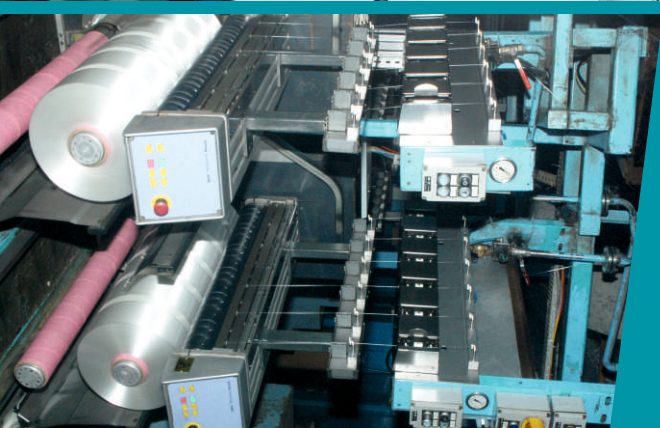
2 more windmills of 1.5 MW each in Madhya Pradesh started operations in March 2016.

Total Wind Power Installed Capacity Increased to 10.25 MW.

(Rs. in Crores)

2013 03	2014 03	2015 03	2016 03
6.95	6.95	8.35	8.35
142.46	169.15	229.71	261.82
	17%	18%	18%
256.72	402.41	488.45	530.08
153.23	258.16	266.64	291.75
113.86	114.58	202.16	206.72
258.69	261.82	312.05	297.65
18%	14%	14%	12%
47.61	55.61	61.31	72.73
20%	13%	13%	14%
27.98	27.75	27.93	45.04
21%	11%	9%	15%
204.97	243.37	275.10	313.55
22%	21%	19%	18%
100.78	117.63	309.13	527.32
32%	26%	22%	19%
40.25	39.93	37.58	5.39
60.00	75.00	80.00	105.00
4.17	5.21	6.68	8.77
14.90	18.79	23.92	19.47
2013 03	2014 03	2015 03	2016 03
0.76	1.38	1.13	1.02
0.28	0.94	0.60	0.61
1.53	1.50	1.49	1.55
1.86	1.27	1.13	2.13
4.47	3.37	4.18	3.21
4.43	3.91	4.16	3.82
8.06	6.50	7.35	8.85
18.40	20.54	18.94	24.43
15.22	16.48	14.46	19.24
16.72	18.01	16.95	22.26
17.47	13.53	10.51	10.11
20.96	17.81	14.00	18.33
80.00	93.00	88.00	114.00
40.00	67.00	73.00	85.00





## SALES

NET SALES - (Rs. crores)

March '16	297.65
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

## EBIDTA

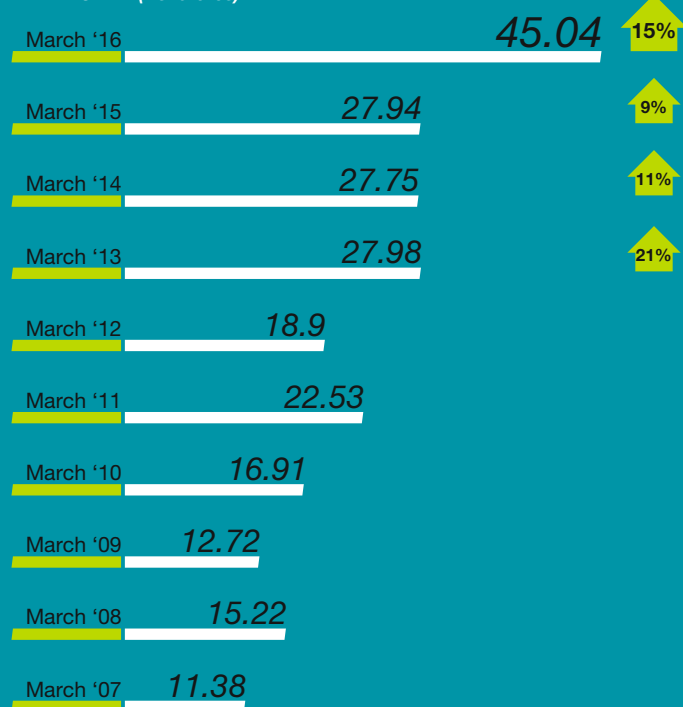
PBIDT - (Rs. crores)

March '16	72.72
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

## Performance At A Glance

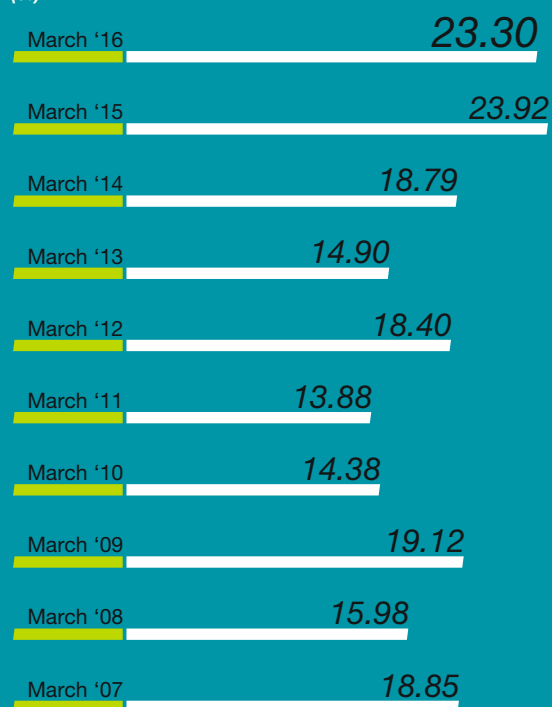
### NET PROFIT

NET PROFIT - (Rs. crores)

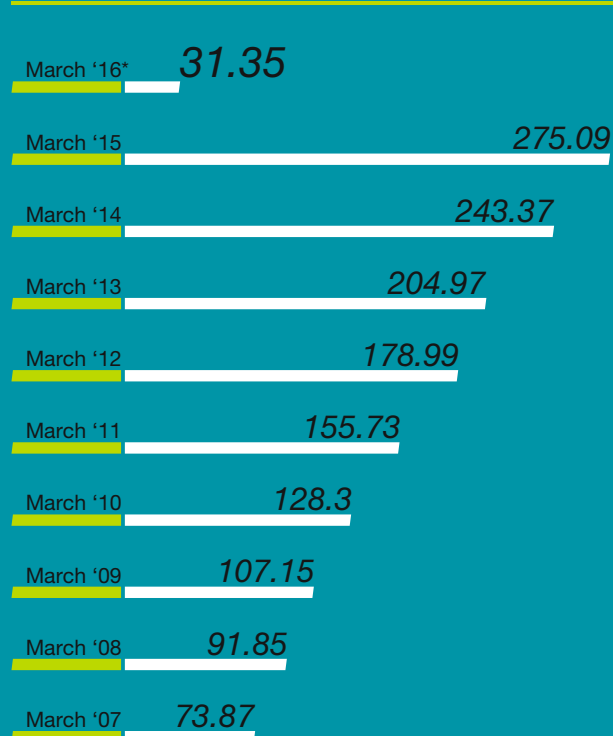


### DIVIDEND PAYOUT

(%)

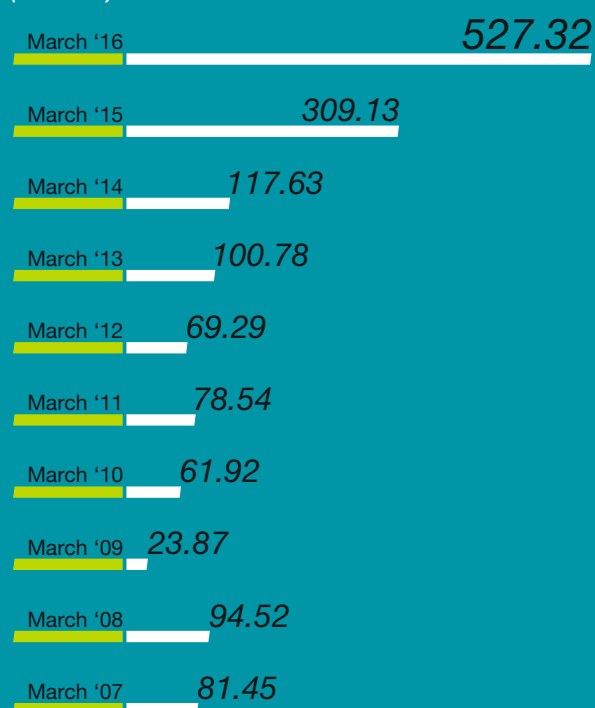


### BOOK VALUE



### MARKET CAPITALIZATION

(Rs. crores)



## From The Desk of Managing Director

Dear Stakeholders,

Greetings. I am pleased to write to you after yet another good year of performance by your company. Our revenue remained flattish but EBIDTA increased by 27% (after accounting for some losses in the US plant which is still in investment phase). While, the stabilization of plant in the US remains a challenge, we have started reaping benefits of a direct presence and investment in the US. Some of our key clients in the US have started to recognize our effort to be in their vicinity and have placed regular orders on us in India while we ramp up and stabilize the production in the US.

Our EBIDTA increase vs previous year despite continued investments is a result of cost savings in the US plant, implementation of measures to increase productivity and automation at both India and US facility and a healthy product mix in our performance and industrial yarn business.

We are confident of sustaining and improving margins as we ramp up approvals from new customers and gain volume in the US plant, reduce cost of power and fuel, wastage in our plants in India and raise productivity. Towards this objective, we have implemented ISO 9001: 2008 in June 2014, Kaizen, 5S and other quality programs at the shop floor level. Another driver of profitability for us will be debottlenecking of our Vapi facility enabling us to produce 30% more than earlier. Several other programs are underway to raise efficiency and improved utilization levels.





We are cognizant of becoming more a more alert corporate citizen and enhance our contribution to the society at large while focusing on our profitability. This year, one of our identified theme is 'Green growth' whereby we will generate almost the same power from non-conventional energy vs use of grid power, diesel and other polluting fuel sources. In the year under review, we already produced 7.25 MW of power through wind energy vs our total requirement of 5.375 MW. In FY 17 our generation capacity will double.

Our 2nd theme for this year is 'Cash flow enhancement'. For the year under review our cash accruals increased to INR 60.49 cr, a jump of 42.60% YoY. We will maintain a big focus on sustaining increase in cash generation from operation and use it judiciously. A solid free cash generation will help us make use of attractive opportunities in our core business and enhance value for our shareholders.

Last year, we took the decision of splitting the stock into Re.1 /- Per Share from Rs. 10/- Per Share to support the increase in liquidity in the market place. Our market capitalization has increased to INR 527.32 Cr (+23.58%) since then.

In conclusion, I remain an eternal optimist and believe that the best for your company is yet to come.

**KRISHNAKUMAR JHUNJHUNWALA - MD & CEO**



## "Productivity@work" Initiatives by Operations team

In manufacturing in india, it's a common scenario to get caught up in the day to day production and the ideas and thoughts of "continuous improvement" remains a vague and far fetched terminology. At SPFL, however, "continuous improvement" be it large or small has been seeped into our culture. Talking about the smaller improvements we have been making a conscious effort to do...

We started with the ISO 9001 certification 2 years ago and since then improvised and improved it as we grew. It has been a step in helping us move towards becoming a system driven company. The new standard of ISO for the year 2015 has newly released and we are already working towards incorporating the new elements of the standard into our existing systems.

Besides ISO, with an aim of becoming A "lean production" facility, in February 2016, we started with the implementation of 2 Japanese tools which will propel us in this direction, namely "5S" and "Kaizen"

Even though we would call them small because it cannot be directly correlated with a monetary impact, we believe it has a large impact indirectly. It creates an efficiency oriented culture which starts right from the operator on SPFL's shopfloor to the plant head rightly ensuring that efficiency is achieved through team work and is not only a top management priority.

Efficiency would be in the form of reduced wastages, faster movement of material, possible

